ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

1333 BROADWAY, SUITE 220 • OAKLAND, CA 94612 • PHONE: (510) 836-2560 • FAX (510) 836-2185
E-MAIL: mail@accma.ca.gov • WEB SITE: accma.ca.gov

ADMINISTRATION & LEGISLATION COMMITTEE

MEETING NOTICE

Monday, January 9, 2006; 9:30 a.m.
CMA Board Room
1333 Broadway, Suite 220
Oakland, California 94612

Members:
Chair: Councilmember Larry Reid
Vice Chair: Supervisor Scott Haggerty
Councilmember Jeff Wieler
Mayor Shelia Young
Mayor Robert Wasserman
Mayor Janet Lockhart
AC Transit Director Dolores Jaquez
BART Director Thomas Blalock

Staff Liaison: Dennis Fay
Secretary: Christina Muller

AGENDA

Copies of Individual Agenda Items are Available on the CMA's Website

1.0 PLEDGE OF ALLEGIANCE

2.0 PUBLIC COMMENT

Members of the public may address the Committee during "Public Comment" on any item not on the agenda. Public comment on an agenda item will be heard when that item is before the Committee. Anyone wishing to comment should make his or her desire known to the Chair.

3.0 CONSENT CALENDAR

3.1 Minutes of December 2, 2005 Meeting* (page 1) — **Action**

3.2 Minutes of December 12, 2005 Meeting * (page 3) — **Action**

3.3 Local Business Enterprise (LBE), Small Business Enterprise (SBE), and Disadvantaged Business Enterprise (DBE) Programs: Status Report* (page 9) — **Information**

4.0 ADMINISTRATIVE MATTERS

4.1 Retiree Health Benefits* (page 11) — **Discussion/Action**

At the December 2, 2005 workshop the Committee decided on a two-tier program. Existing employees would continue to be covered under the current resolution. The CMA contribution to the retiree health care premium for new employees would vary according to years of service. The Committee asked staff to develop options for capping this contribution. A cap is not recommended for the reasons noted in the attached memo. It is recommended that the Board adopt a resolution implementing the retiree health benefits policy for new employees that includes the years of service requirement.

4.2 Response to Growing CMA Responsibilities* (page 49) **Discussion/Action**

In response to the growth of the CMA's responsibilities and functions over the last year or so, staff has been reviewing policies, procedures and resource levels to assure to the extent possible the agency is ready for these new duties. In September 2005, the CMA adopted changes to the Administrative Code relating to these new duties. Staff has continued to review needed changes in order to position the agency for success. The attached memo discusses a proposed concept for bringing certain functions in-house that are now being provided through consultants. This memo also outlines the budget implications, including savings and benefits. Converting selected consultant tasks to staff is within the forecast revenue for the agency and has the added benefit of providing revenue that can be applied to the administrative overhead of the agency rather than to the overhead of consultants. Staff is seeking the Committee's review and comment on this concept. If the Committee supports this approach, staff will provide a detailed plan, including job specifications and a revised annual budget, in February for action.

4.3 Draft FY 2006-2007 Work Program* (page 53) **Discussion/Action**

In accordance with the joint powers agreement, the CMA Board must adopt a budget in March of each year. A draft budget must be released for review and comment in February. In order to prepare a budget, a work program is necessary. The attached material provides a proposed draft work program. It is recommended that the Board approve the draft work program.

5.0 CONTRACTS, AGREEMENTS AND CONSTRUCTION STATUS REPORTS

5.1 Community Based Transportation Plans: East Oakland and Berkeley* (page 67) **Discussion/Action**

It is recommended that the Board authorize the Executive Director: (1) to sign a fund transfer agreement with MTC for the East Oakland and Berkeley community based transportation plans in the amount of $120,000; and (2) to sign contracts with the selected consultant(s) in an amount not to exceed $120,000 ($60,000 per plan). These two plans will complete the community-based transportation planning activity identified by MTC.

5.2 International/Telegraph Rapid Bus Project: Construction Project Status Report* (page 69) **Discussion/Action**

The Administration and Legislation Committee is requested to review and accept the attached Construction Progress Report for the International/Telegraph Rapid Bus Project.

5.3 2006 LOS Monitoring Data Collection and Data Entry* (page 75) **Discussion/Action**

It is recommended that the CMA Board authorize the Executive Director to execute an agreement with the selected consultant to perform traffic data collection and entry for the 2006 Level of Service (LOS) Monitoring Study in an amount not to exceed $55,000. LOS Monitoring is performed on the CMP roadways of the county biennially. The Request for Proposals was issued on December 15, 2005 and a consultant is expected to be selected in the second week of February 2006.

6.0 LEGISLATION/PUBLIC AFFAIRS

6.1 Sacramento Report* (page 77) **Information/Discussion**

A report from the CMA's Sacramento representative is attached.

6.2 Washington, DC Report* (page 89) **Information/Discussion**

A report from the CMA's Washington, DC representative is attached.

7.0 STAFF AND COMMITTEE MEMBER REPORTS

8.0 ADJOURNMENT/NEXT MEETING: MONDAY, FEBRUARY 13, 2006

* Attachment enclosed for members and key staff.
** Materials will be handed out at the meeting.
(#) All items on the agenda are subject to action and/or change by the Committee.
✓ Materials are separately attached to the meeting packet.

PLEASE DO NOT WEAR SCENTED PRODUCTS SO INDIVIDUALS WITH ENVIRONMENTAL SENSITIVITIES MAY ATTEND

January 9, 2006
Agenda Item 3.1

ADMINISTRATION & LEGISLATION COMMITTEE WORKSHOP

MINUTES OF DECEMBER 2, 2005
OAKLAND, CA

Mayor Young convened the meeting of the Administration & Legislation Committee Workshop at 9:38 am. The roster of attendance is attached.

1.0 PLEDGE OF ALLEGIANCE

2.0 PUBLIC COMMENT

There were no public comments.

3.0 RETIREE HEALTH BENEFITS WORKSHOP

Zack Wasserman of Wendel Rosen Black & Dean law firm reviewed the memorandum dated November 18, 2005 pertaining to CMA personnel changes to Retiree Health Benefits. Considerable discussion followed.

The survey of retiree health benefits conducted by CMA's legal counsel was distributed to the Administration & Legislation Committee members present. The survey included information from Alameda County jurisdictions and transportation planning and engineering consultants. The Committee reviewed the survey information and asked several questions.

Fay presented the Actuarial Valuation of Postretirement Medical Benefits prepared by Nicolay Consulting Group dated July 2005. The report provided an evaluation of the cost of the current CMA policy and other options (Options B and C). After considerable discussion, the Committee agreed to a two-tier program, leave health benefits in retirement unchanged for current employees. A motion was made by Lockhart to accept Option C for new employees; a second was made by Worthington. Option C provides that the CMA contribution to the premium for new employees would vary according to years of service -- 50% benefit at age 50 or older with 10 years of CMA service, increasing by 5% for each additional year of service, until 100% benefit with 20 or more years of service. Wasserman indicated his opposition to this approach without a cap. After more discussion, a motion was amended by Lockhart to accept Option C with the understanding that the CMA staff would develop options for a cap on monthly benefits. Worthington as the second accepted the amendment. The motion passed unanimously. Legal counsel was requested to prepare a resolution acceptable to PERS that can be adopted by the CMA Board. This item will be brought back to the committee for action in January 2006 with the requested information.

4.0 OTHER BUSINESS

There was no other business.

5.0 ADJOURNMENT/NEXT MEETING – MONDAY, DECEMBER 12, 2005

The meeting was adjourned until the December 12, 2005 meeting at 9:30 at the CMA Office.

Attested By:

Victoria Winn

Victoria Winn, Acting Secretary

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ADMINISTRATION & LEGISLATION COMMITTEE
DECEMBER 2, 2005
ROSTER OF MEETING ATTENDANCE
CMA OFFICES, OAKLAND, CALIFORNIA

	NAME	JURISDICTION/ ORGANIZATION	PHONE #	E-MAIL
1.	Zack Wasserman	WRB+D	834.6600	zwasserman@wendel.c[illegible]
2.	Kriss Worthington	Berkeley	981-7170	Kworthington@ci.berkeley.ca.us
3.	Dennis Fay	ACCMA Staff		
4.	Jean Hart	"		
5.	[illegible]	Mayor San Leandro	577-3355	
6.	Janet Lockhart	Mayor Dublin	925 833-6650	
7.	TOM Blalock	BART	510-490-7565	
8.	Bob Wasserman	Fremont	284 4011	
9.	Scott Haggerty	ALAMEDA COUNTY	510-272-6691	
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January 9, 2006
Agenda Item 3.2

ADMINISTRATION & LEGISLATION COMMITTEE

MINUTES OF DECEMBER 12, 2005

OAKLAND, CA

Vice Chair Haggerty convened the meeting of the Administration & Legislation Committee at 9:30 am. The roster of attendance is attached.

1.0 PLEDGE OF ALLEGIANCE

2.0 PUBLIC COMMENT

There were no public comments.

3.0 MINUTES OF NOVEMBER 7, 2005 MEETING

A motion was made by Young to approve the Minutes of November 7, 2005; a second was made by Lockhart. The motion passed unanimously.

4.0 ADMINISTRATIVE MATTERS

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CLOSED SESSION: PERSONNEL AND LABOR RELATIONS AS PROVIDED FOR UNDER GOVERNMENT CODE SECTION 54957

Public Employee Performance Evaluation: Executive Director

****

Vice Chair Haggerty called the closed session to order to review Executive Director's Salary and Benefits for 2006.

4.1 Executive Director's Salary and Benefits for 2006

Vice Chair Haggerty stated that the subcommittee reviewed the Executive Director's salary and benefits for 2006 and recommends a 6% salary increase. A motion was made by Haggerty to approve a 6% salary increase; a second was made by Blalock. The motion passed unanimously.

4.2 Disadvantaged Business Enterprise (DBE) Program: Fiscal Year 2004-05 Report

Muller reviewed the DBE Attainment Report for FY 04/05 and requested that the Committee recommend approval of the attainment report to the Board. A motion was made by Blalock to forward the DBE Attainment Report for FY04/05 to the Board for approval; a second was made by Wasserman. The motion passed unanimously.

4.3 CMA Board Retreat

Fay advised the Committee that the 2006 CMA Board retreat is tentatively scheduled for Friday, February 10, 2006 in the morning at the Martinelli Center in Livermore. Fay reviewed the draft agenda which includes the following topics of discussion: upcoming State legislative session, including SB 1024, Senator Perata's bond proposal, the Governor's transportation proposals and an earmark strategy for the reauthorization of the federal transportation program and appropriations bills. A motion was made by Haggerty to approve the date and topics for the 2006 CMA Board Retreat; a second was made by Blalock. The motion passed unanimously.

5.0 CONTRACTS, AGREEMENTS AND CONSTRUCTION STATUS REPORT

Vice Chair Haggerty suggested combining Agenda Item 5.1 and 5.2. The Committee agreed.

5.1 Sacramento Representative Contract: Lynn M. Suter & Associates

5.2 Washington, DC Representative Contract: Copeland, Lowery, Jacquez, Denton & White

After a brief discussion Haggerty made a motion to approve the contract extensions for both the Sacramento Representative and the Washington, DC Representative. He also recommended that staff solicit proposals from other firms when the Sacramento representative contract' expires; a second was made by Blalock. The motion passed unanimously.

5.3 I-680 Smart Carpool Lane: Joint Powers Agreement

Hart advised the Committee that state legislation authorizes the CMA, ACTIA and Santa Clara VTA to develop a JPA to construct, operate and maintain a high occupancy toll lane in the southbound I-680 corridor starting in Sunol and ending in Milpitas. Principles adopted by the Board in January and the interim I-680 policy advisory committee, were used to develop the JPA. The JPA has been approved by ACTIA, and VTA will act in January 2006. A motion was made by Haggerty recommending that the Board authorized the Chair to sign the final JPA; a second was made by Haggerty; a second was made by Wasserman.. The motion passed unanimously.

5.4 I-580 HOV Lane Project: Transportation Management Plan (TMP) During Construction – Memorandum of Understanding

Minoofar requested that the Committee recommend the CMA Board authorize the Executive Director to execute a Memorandum of Understanding (MOU) with the Tri-Valley agencies (Dublin, Livermore, Pleasanton, Alameda County, Livermore-Amador Valley Transit Authority), and Caltrans for the Transportation Management Plan related to the I-580 Eastbound High Occupancy Vehicle (HOV) Lane construction project. This MOU will cover the Intelligent Transportation System (ITS) components of the overall TMP; other TMP elements will be implemented during the construction phase of the project. A motion was made by Haggerty to forward this item to the Board for approval; a second was made by Lockhart. The motion passed unanimously.

5.5.1 E. 14th/International/Telegraph Rapid Bus Project: Amendment to Agreement with AC Transit for Additional Work

Minoofar requested that the Committee recommend the CMA Board take the following actions related to the E. 14th/International /Telegraph Rapid Bus project:

1. Authorize the Executive Director to execute Amendment No. 3 with AC Transit for additional work (additional bus stop, Uptown Transit Center and public information) requested by AC Transit for an amount not to exceed $1,268,544.
2. Authorize the Executive Director to execute all necessary agreements required for the activities related to these additional items.

AC Transit will provide the funding for this added work. After a brief discussion, a motion was made by Jaquez to forward this item to the Board for action; a second was made by Young. The motion passed unanimously.

5.5.2 E. 14th/International/Telegraph Rapid Bus Project: Uptown Transit Center

Minoofar requested that this item be delayed one month to provide more time for bidders. A motion was made by Blalock to put this item over to January 2006; a second was made by Young. The motion passed unanimously.

5.5.3 E. 14th/International/Telegraph Rapid Bus Project: Change Orders with Ray's Electric, Rosendin and Steiny for Additional Items of Work

Minoofar requested that the Committee recommend the CMA Board authorize the Executive Director to negotiate and execute Contract Change Orders with Ray's Electric, Rosendin and Steiny for supplementary items of work that have been requested by AC Transit for the E. 14th Street-International Blvd-Telegraph Avenue Rapid Bus project in the amount not to exceed $560,000. A motion was made by Jaquez to forward this item to the Board for approval; a second was made by Young. The motion passed unanimously.

5.5.4 E. 14th/International/Telegraph Rapid Bus Project: Fund Transfer Agreement with MTC

Minoofar requested that the Committee recommend the CMA Board authorize the Executive Director to execute an agreement with the Metropolitan Transportation Commission (MTC) that will transfer $200,000 in federal funds to be used on E. 14th Street-International Blvd-Telegraph Avenue Rapid Bus project. A motion was made by Young to forward this item to the Board for approval; a second was made by Jaquez. The motion passed unanimously.

5.5.5 East Bay SMART Corridors Maintenance Contracts

Minoofar requested that the Committee recommend the CMA Board authorize the Executive Director to negotiate and execute the necessary agreements for East Bay SMART Corridors field maintenance activities in an amount not to exceed $350,000 for a one-year period. A motion was made by Blalock to forward this agenda item to the Board for approval; a second was made by Wasserman. The motion passed unanimously.

5.6 I-680/I-880 Cross Connector: Project Study Report

Todd advised the Committee that the I-680/I-880 Cross Connector Study was completed in July 2005 with a series of improvements recommended along the corridor between Auto Mall Parkway in Alameda County and Montague Expressway in Santa Clara County. He noted that the Alameda County Transportation Improvement Authority (ACTIA) has approved $940,000 of Measure B funds for a Project Study Report (PSR) to be completed for the improvements recommended for the Fremont/Grimmer Boulevard segment identified in the study. It is recommended that the Committee forward the following items to the Board for action:

1. Authorize the Executive Director to execute all necessary agreements required to secure the $940,000 of ACTIA Measure B funding for the Project Study Report (PSR) and preliminary engineering for the I-680/I-880 Cross Connector project along Fremont/Grimmer Boulevard.
2. Authorize the Executive Director to execute all necessary agreements required to complete a Project Study Report (PSR) and preliminary engineering for the I-680/I-880 Cross Connector project along Fremont/Grimmer Boulevard in an amount not to exceed $940,000, less CMA costs of managing the contract.

A motion was made by Wasserman to forward this agenda items to the Board for approval; a second was made by Blalock. The motion passed unanimously.

5.7 Sound wall Design: I-580 San Leandro Sound walls and I-580 Oakland Soundwall at 14th and Ardley

Todd advised the Committee that the CMA Board approved $1,017,000 of CMA TIP funds to complete the design of freeway soundwalls in San Leandro and in Oakland along I-580 as part of the overall 2006 STIP programming strategy. The Committee is requested to recommend the CMA Board authorize the Executive Director to execute all necessary agreements required to complete the design of the freeway soundwalls in San Leandro (Estudillo to 141st) and in Oakland (14th and Ardley) along I-580 in an amount not to exceed $1,017,000. A motion was made by Young to forward this agenda item to the Board for approval; a second was made by Lockhart. The motion passed unanimously.

6.0 LEGISLATION/PUBLIC AFFAIRS

Chair Reid recommended combining Agenda Item 6.1, 6.2 and 6.3. The Committee agreed.

6.1 Sacramento Report
6.2 Washington, DC Report
6.3 2006 CMA Legislative Program

Fay reviewed the reports from the Sacramento and Washington, D.C. Representatives and the draft 2006 Legislative Program. A motion was made by Jaquez to forward the final 2006 CMA Legislative Program to the Board for approval; a second was made by Haggerty. The motion passed unanimously.

7.0 STAFF AND COMMITTEE MEMBER REPORTS

There were no reports.

8.0 ADJOURNMENT/NEXT MEETING: MONDAY, JANUARY 9, 2006

Chair Reid adjourned the Committee until the Monday, January 9, 2006 meeting at 9:30 a.m. at the CMA office.

Attest By:

Christina Muller, Board Secretary

ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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ADMINISTRATION & LEGISLATION COMMITTEE
DECEMBER 12, 2005
ROSTER OF MEETING ATTENDANCE
CMA OFFICES, OAKLAND, CALIFORNIA

	NAME	JURISDICTION/ ORGANIZATION	PHONE #	E-MAIL
1	C Muller	Staff	510 8362560	cmuller@accma.ca.gov
2.	Z Wasserman	WRB+D	834-6600	zwasserman@wendel.com
3.	Neal A Parish	WRBD	510 834-6600	NParish@wendel.com
4.	Dolores Jaquez	AC Transit		
5.	Janet Lockhart	Dublin		
6.	Shelia Young	San Leandro		
7.	Tom Blalock	BART	510-490-7565	
8.	BOB WASSERMAN	FREMONT	284 4011	BOBWASSERMAN@EARTHLINK.NET
9.	SCOTT HAGGERTY	ALAMEDA COUNTY	510.272.6691	SCOTT.HAGGERTY@ACGOV.ORG
10.	Larry Reid	Oakland, Ca	238-7007	
11.	[illegible]	Staff		
12.	Jean Hart	"		
13.	Dennis R. Fay	"		
14.	CESAR PUJOL	AC TRANSIT		cpujol@actransit.org
15.	Joanne Parker	BART	510.287.4795	jparker@bart.gov
16.	Pat Mossburg	Oak/Larry Reid	238-7573	pmossburg@oaklandnet.com
17.	Tina Spencer	AC Transit	510.891.4754	tspencer@actransit
18	Matt Todd	Staff		
19.	Dave Argulo	Ala.Co BOS #1	510-272-6691	
20.	Tom Wink	TYLin	925 719-1622	twink@tylin.com
21.	Anush Nejad	Kimley-horn	510-625-0712	anush.nejad@kimley-horn.com
22.	Stefan Garcia	Staff		
23.	CYRUS MINOOFAR	"		

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Summary of Contracts (>$25,000) Awarded in FY 2005/2006 through December 2005

Professional Services

Project/Contract Name	Contract Type/ Service	Contract Number	Contract Date	Prime	Subs	Firm Location	Fund Source	Total $ Amount	Alameda Local Business	East Bay Local Business	SBE Firm	DBE Firm Y or N	Federal DBE Goal	% DBE Firms
West Oakland Community Based Transportation Plan	Planning	A05-017	8/24/05	MIG		Berkeley, CA	MTC/STA	$ 46,000	$ 46,000	$ 46,000		N		
					Harvey Goldstrom	Oakland, CA	(non-federal)	$ 7,000	$ 7,000	$ 7,000		N		
					Elmwood Consulting	Oakland, CA		$ 7,000	$ 7,000	$ 7,000		N		
							Contract A05-017 Total:	$ 60,000	$ 60,000	$ 60,000	$ -		NA	0%
I-680 Smart Carpool Marketing & Research	Marketing/ Research	A05-022	8/25/05	Don Solem & Associates		San Francisco, CA	ACTIA	$ 25,790				N		
					Frank Wilson & Assoc.	San Juan Capistrano, CA		$ 17,400			$ 17,400	N		
					Jeremy Law	San Juan Capistrano, CA		$ 6,700				N		
							Contract A05-022 Total:	$ 49,890	$ -	$ -	$ 17,400		NA	0%
2005 Update County Wide Bike Plan	Planning	A05-019	8/24/05	Beth Walukas		Oakland	ACTIA/TDA	$ 44,000	$ 44,000	$ 44,000		N		
							Contract A05-019 Total:	$ 44,000	$ 44,000	$ 44,000	$ -		NA	0%
I-880 North Safety Improvment	Design	A05-008	7/8/05	Korve		Oakland, CA	RM2	$ 369,220	$ 369,220	$ 369,220		N		
				RBF		Walnut Creek, CA		$ 320,820	$ -	$ 320,820		N		
					VSCE Inc.			$ 91,354	$ 91,354	$ 91,354	$ 91,354	Y		
					Land Unity Council	Oakland, CA		$ 40,620	$ 40,620	$ 40,620	$ 40,620	N		
					Wilson, Ihrig and Assoc.	Oakland, CA		$ 20,542	$ 20,542	$ 20,542		N		
					Ninyo and Moore	Oakland, CA		$ 10,960	$ -	$ -		N		
					Universal Field Serv., Inc	Sacramento, CA		$ 7,600	$ 7,600	$ 7,600		N		
					Hammon Jenson & Wallen	Oakland, CA		$ 47,803	$ 47,803	$ 47,803		N		
					Jones & Stokes	Oakland, CA								
							Contract A05-008 Total:	$ 908,919	$ 577,139	$ 897,959	$ 131,974		NA	10%
Grand MacArthur	Engineering Analysis	A05-016	7/27/05	DKS		Oakland, CA	RM2	$ 513,779	$ 513,779	$ 513,779	$ -	N		
							Contract A05-016 Total:	$ 513,779	$ 513,779	$ 513,779	$ -		NA	0%
							Professional Services Total:	$ 1,576,588	$ 1,194,918	$ 1,515,738	$ 149,374			
									76%	96%	9%			

Summary of Contracts (>$25,000) Awarded in FY 2005/2006 through December 2005

Construction

Project/Contract Name	Contract Type/ Service	Contract Number	Contract Date	Prime	Subs	Firm Location	Fund Source	Total $ Amount	Alameda Local Business	East Bay Local Business	SBE Firm	DBE Firm Y or N	Federal DBE Goal	% DBE Firms
Rapid Bus Project Telegraph	Construction	A05-020 (Amended)	7/29/05	Steiny & Co.		Vallejo, CA	95% State & Local; 5% Federal	$ 3,455,845				N		
					Vargas & Esquivel	San Francisco, CA		$ 163,218			$ 163,218	Y		
			Change order: 12/22/05		Diaz Corp.	San Jose, CA		$ 31,473			$ 31,473	Y		
					Titan	Redding, CA		$ 193,705			$ 193,705	Y		
					Norwood	Brentwood, CA		$ 216,113		$ 216,113		N		
							Contract A05-020 Total:	$ 4,060,353	$ -	$ 216,113	$ 388,396		10%	10%
Rapid Bus Project Broadway	Construction	A05-021 (Amended)	8/1/05	Ray's Electric		Oakland, CA	95% State & Local; 5% Federal	$ 715,941	$ 715,941	$ 715,941	$ 715,941	N		
					Bayline	Oakland, CA		$ 34,743	$ 34,743	$ 34,743		Y		
			Change order: 12/22/05		William's Trucking	Oakland, CA		$ 8,338	$ 8,338	$ 8,338		Y		
					TPA Utility Sales	Oakland, CA		$ 61,148	$ 61,148	$ 61,148		Y		
							Contract A05-021 Total:	$ 820,170	$ 820,170	$ 820,170	$ 715,941		10%	13%
Rapid Bus Project E. 14th/ International	Construction	A05-038 (Amended)	10/6/05	Rosendin Electric		San Jose, CA	95% State & Local; 5% Federal	$3,358,998				N		
					Simco Construction	Oakland, CA		$ 412,924	$ 412,924	$ 412,924	$ 412,924	Y		
			Change order: 12/22/05		Bass Electric	San Francisco, CA		$ 238,026			$ 238,026	N		
					Precision	San Jose, CA		$ 103,490				N		
					Diaz Corp.	San Jose, CA		$ 19,663			$ 19,663	Y		
					McDonald Engineering	Livermore, CA		$ 10,349	$ 10,349	$ 10,349		N		
					Advanced Cutting & Paving	Morgan Hill, CA		$ 8,279				N		
							Contract A05-038 Total:	$ 4,151,730	$ 423,273	$ 423,273	$ 670,614		10%	10%
Rapid Bus Project	Equipment	A05-034	10/4/05	EIS Electric Integrated Systems		Ontario, Canada	95% State & Local; 5% Federal	$ 90,382	$ -	$ -	$ -	N		
							Contract A05-034 Total:	$ 90,382	$ -	$ -	$ -		0%	0%
Rapid Bus Project	Equipment	A05-033	10/19/05	3M		Saint Paul, MN	95% State & Local; 5% Federal	$ 137,706	$ -	$ -	$ -	N		
							Contract A05-033 Total:	$ 137,706	$ -	$ -	$ -		0%	0%
							Construction Total:	$ 9,260,341	$ 1,243,443	$ 1,459,556	$ 1,774,950			
									13%	16%	19%			

This report includes all contracts over $25,000 awarded from July 2005 through December 2005.
This report excludes office rent, office utilities, and Agency benefits, and the Agency's Sacramento and D.C. Representatives.

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CONGESTION MANAGEMENT AGENCY

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MEMORANDUM

January 9, 2006
Agenda Item 4.1

DATE: December 22, 2005

TO: Administration & Legislation Committee

FROM: Dennis R. Fay, Executive Director DRF

SUBJECT: Retiree Health Benefits

Action Requested
At the December 2, 2005 workshop the Committee decided on a two-tier program. Existing employees would continue to be covered under the current resolution. The CMA contribution to the premium for new employees would vary according to years of service -- 50% benefit at age 50 or older with 10 years of CMA service, increasing by 5% for each additional year of service, until 100% benefit with 20 or more years of service. The Committee asked staff to develop options for capping the contribution to retiree health insurance premiums provided by the CMA to new employees. The discussion below identifies options. It is not recommended that a cap be applied to the retiree health care contribution for new employees because:

1. The savings from the 10-year service requirement will grow and are likely to dominate any savings from a cap for at least the next ten years; and
2. Administering different health care programs for new and existing employees would be complex and could add administrative costs.

It is recommended that the Board adopt a resolution implementing the retiree health benefits policy for new employees requiring ten years of service as described above.

Discussion

Existing Policy. In 1993, the CMA adopted a resolution regarding retiree health benefits as a requirement of using PERS for its health coverage for current employees. The PERS standard resolution for retiree health benefits was adopted at that time. That resolution provides that the CMA would increase its contribution to retiree health insurance premiums by 5% each year until the contribution reaches 100% when the CMA is 20 years old. At present, the CMA would contribute 60% toward the health insurance premium, if it had any retirees. This standard resolution does not however have any limits on the length of service with the CMA before an employee is eligible for health insurance benefits upon retirement. An employee need only be eligible to retire under PERS – five years of service in agencies using PERS for their retirement program and age 50 or older. Thus, someone could take a position with the CMA, work a year or two and retire with the CMA covering all or a portion of the health insurance premium, if they had sufficient PERS service with other agencies and met the age requirement.

Legal Issues. In order to better understand the legal requirements associated with any changes to retiree health benefits, legal counsel prepared a memo on the matter for the Committee (attached). In that memo, counsel concludes:

> "Therefore, as to current CMA employees, CMA's ability to modify the eligibility rules for post-retirement health benefits is limited. Any such modification requires an equal or greater benefit be given to the employee in exchange, and approval by each affected employee. CMA could impose a vesting requirement for new employees effective as of the time the new requirement is included in the contract with PERS. Whether the Board should establish two classes of employees is the subject of a separate discussion."

In addition, as discussed by legal counsel at the Committee meeting and in the second legal memo attached, there is a statute applicable to CMA which requires that if an agency provides health benefits, they must be equal for both employees and annuitants. Therefore in order to place a cap on contributions to retirees' health care, CMA would also need to place a cap on contributions for health care for new employees.

Some jurisdictions, including Fremont, deal with this issue by providing the minimum statutory contribution for health care premiums to both employees and retirees and by providing a cafeteria plan for current employees with an amount at least equal to the difference between that minimum and the actual cost of health care premiums – usually capped at the cost for Kaiser North or a similar standard. Employees can use the cafeteria dollars to pay the difference in premiums or for other medical costs. CMA could adopt this approach, but it would be complex and could add costs to administration, since it would require creating and administering a cafeteria plan either for all employees or just for new employees.

Actuarial Analysis. At the December 2004 meeting, the Committee considered counsel's original memo and requested cost information for several options. After some investigation, legal counsel engaged Nicolay Consulting Group to prepare the requested cost data (see attached report). Three options were evaluated:

Scenario a: Age 50 or older with 5 or more years of PERS service (current benefit)
Scenario b: 50% benefit at age 50 or older with 5 years of ACCMA service, increasing by 5% for each additional year of service. 100% benefit with 15 or more years of service.
Scenario c: 50% benefit at age 50 or older with 10 years of ACCMA service, increasing by 5% for each additional year of service. 100% benefit with 20 or more years of service. This approach is used by the state and many local jurisdictions.

In addition to evaluating the costs of these scenarios, the consultant notes that, in accordance with new accounting procedures, the CMA will need to begin to accrue the costs of the current and future liability associated with retiree health benefits as a current year expense. These accrued expenses are estimated by the consultant for fiscal years 2005-6 and 2006-7, assuming the CMA would be required to account for such expenses in these years. Based on the guidelines noted in the consultant's report, it appears the CMA will need to begin accounting for these expenses not later than 2008-9. Nevertheless, the consultant's estimates provide useful comparisons among the options.

The expense for each option is summarized below:

Option	2005-6	2006-7
a: current benefit	$97,802	$101,222
b: 5 years of ACCMA service	$91,996	$95,215
c: 10 years of ACCMA service	$76,869	$79,559

Because option b is similar in cost and benefit to the current approach, it seems likely that this option can be construed as meeting the criteria counsel lays out for changing the benefit for current employees. New hires could be provided with the benefit in option c, thus providing savings to the Agency as employees turn over. This information was presented at the Committee's September 2005 meeting.

Survey Results. At the September 2005 meeting, the Committee asked to have a special workshop on retiree health benefits. Staff proposed to conduct a survey of jurisdictions in Alameda County to provide comparative information. The attached survey results were reviewed at the special meeting on December 2, 2005.

Capping the Agency Contribution. The underlying concern of the Committee seems to be the containment of the growth in the cost of this benefit for retirees. The following reviews potential costs and benefits of capping contributions to retiree health insurance premiums.

In order to limit contributions to retiree health insurance premiums, CMA could make a flat dollar contribution for both employees and retirees in the new class, perhaps indexed by CPI rather than health care premiums. Any difference in the actual cost of health care premiums could then be made up through a cafeteria plan for new employees. Several options exist to establish the initial flat dollar figure:

1. $1012 per month in 2006 (based on Kaiser family premium which is currently the lowest cost of the major health care plans)
2. $779 per month in 2006 (based on Kaiser single-plus-one premium)
3. $389 per month in 2006 (based on Kaiser single premium)
4. Some fixed dollar amount established in another way

As noted above, a cafeteria plan would be needed for new employees to maintain equivalent health care benefits between existing employees and new employees. While a cafeteria plan for new employees deals with recruitment issues, the administration of two different health care programs for employees would be complex and could add administrative costs.

Staff has reviewed the actuarial analysis to assess the likely benefits from capping the contribution to health care premiums for new employees. The data suggests that roughly a 20% savings is derived from the imposition of a 10-year service requirement for new employees. Depending on the amount of the cap, the imposition of a cap would provide additional savings perhaps equal to the service requirement, but not for many years. Cost savings associated with a cap will not become evident for at least ten years. Intuitively, it seems reasonable that the cost savings from the 10-year service requirement will grow and dominate the savings calculations, since employees are no longer staying for extended periods with the same employer. Furthermore, the CMA is unlikely to have significant numbers of career employees due to the nature of the job market in transportation.

It is not recommended that a cap be applied to the retiree health care contribution for new employees because:

1. The savings from the 10-year service requirement will grow and are likely to dominate any savings from a cap for at least the next ten years; and
2. Administering different health care programs for new and existing employees would be complex and could add administrative costs.

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MEMORANDUM

November 18, 2005

TO: CMA Administration & Legislation Committee

FROM: R. Zachary Wasserman and Jeanine DeBacker

RE: Changes to Retiree Health Benefits

Although CMA has no employees who have retired from the Agency and no employees are expected to retire in the next couple of years, in light of rising health costs and the prospective need to begin accruing costs for retiree benefits required by the GASB rules, it is prudent to review CMA's policy for retirees' health benefits. Present CMA policy and the contract with PERS provide that as soon as they become CMA employees individuals become entitled to retiree health benefits for life for themselves and their families when they otherwise qualify to retire under PERS. The minimum years of service for retirement are 5 years of service at a PERS agency. If service has been earned at another agency, but the employee retires from CMA, CMA is liable for payment of all of the health benefits.

We suggest that current employees be offered the opportunity to approve a vesting schedule that provides a minimum amount of time with CMA to obtain benefits that we believe will not cause employees to lose any rights. We also suggest that CMA make a longer vesting schedule apply to any new CMA employees.

CMA joined PERS in 1993. At that time, pursuant to the governing law[1], CMA agreed to pay 100% of the health insurance premium for current employees and their families. For retirees CMA agreed to pay "the amount necessary to pay the cost of . . .enrollment, including the

[1] CMA provides health benefits as a "contracting agency" that has elected to participate in the Public Employees Medical and Hospital Care Act (PEMHCA). This program is administered by PERS.

enrollment of . . . family members, in a health benefits plan up to a maximum of $1.00 per month." CMA adopted a system of gradually increasing coverage of premiums for retirees based on the number of years of CMA's existence rather than on years of service by the employee. CMA's contribution for each annuitant increases annually, starting with 1993, by 5% of the monthly contribution for employees until the contributions for employees and retirees are equal. This schedule allowed a new agency like CMA to make small payments at the beginning of its life and build up to full premium coverage over a period of time. As of 2005, CMA's contribution for each retiree is 60% of the premium and the retiree would pay the balance. Under the current scheme CMA's contribution will reach 100% in 2013.

The rules governing health benefits are in many respects confusing – even to those charged with administering them. We have reviewed the relevant statutes and regulations, consulted with PERS representatives and with some attorneys specializing in this area of law. It appears that some agencies have policies that are not consistent with the statutory scheme and the principles described in this memo and that these variances have been accepted or ignored by PERS. It is also possible for some agencies that PERS pays a lower amount of the premium, with the balance of the premium deducted from the retiree's monthly pension payment, and that agency makes a separate payment to the retiree for some or all of the deduction.

The rules governing PERS retiree benefits have evolved over the past decade. The general rule now is that a contracting employer must contribute at least a minimum amount set forth in the governing statutes. In the alternative, a contracting employer may implement a progressive vesting schedule and may base contributions on the years of service of an employee. The only vesting schedule specifically set forth in the statutes provides that 50% of the benefit (the full premium) is earned after 10 years of service and increases 5% per year of service until 100% is earned with 20 years service. Based on our review and conversations with an expert in this field, we believe that CMA can adopt a schedule that provides earlier vesting than this statutory schedule if it chose to do so.

By the terms of the statute and case law, however, new vesting rules can only be applied prospectively to new employees first employed after the contracting agency files with the board a resolution of its governing body electing it to be subject to the rules. Current employees must individually elect to be subject to the vesting rules. However, this concept does not prohibit CMA from making changes to benefits. An agency is permitted by PEMHCA to make reasonable modifications to the system. To be sustained as reasonable, the alterations must bear some material relation to the theory of a benefit and the successful operation of that benefit, and if the change results in some disadvantage for employees, it should be accompanied by comparable new advantages. For example, in order to save costs, CMA could impose some co-pay requirement on employees and retirees. As of 2005 the statutory minimum contribution is $48.40. Currently CMA pays the Kaiser family rate which is $794 and while a reduction to the statutory minimum levels without the addition of other benefits would not be considered reasonable, instituting a co-pay of 10% or 20% might well be reasonable under the law. Contributions on behalf of annuitants must be at least 55% of the minimum contribution (increasing each year of service by 5%) but may be more.

Our recommended alternative regarding vesting is to adopt a 10 year vesting requirement for new hires and at the same time propose that current employees elect to participate in a five year vesting schedule. This election could be encouraged by showing employees that as active employees, their premiums will remain 100% paid by CMA, while their coverage as retirees would be subject to a 5 year vesting requirement. For employees who already have five years of service with CMA or any PERS agency or are 15 years away from being eligible to retire, a vesting schedule that starts at 50% coverage at five years and increases by 5% each year would result in coverage very similar to the existing arrangement.[2] Employees could also be shown that if a vesting schedule is not adopted, CMA could reduce the contribution for current employees, thereby requiring out-of-pocket costs to them (which could be paid from the flexible spending plan). A longer vesting schedule could also be adopted, but that would have more impact on current employees.

A second alternative would be to keep the current system for existing employees but adopt a new system of the statutory vesting schedule with vesting starting at 50% at 10 years of service for new employees. The vesting schedule could also be shorter than the statutory scheme – for example starting at 50% coverage with five years of service and increasing 5% each year for full coverage at 15 years of service.

Any change in the vesting schedule needs to be pre-approved by PERS, approved by the individual employee if it applies to current employees, and made part of a new contract with PERS.

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[2] For employees who are less than 15 years away from being eligible for retirement, the change may still have little or no effect, depending on their number of years of service and the years remaining until they are eligible for retirement.

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MEMORANDUM

December 20, 2005

TO: R. Zachary Wasserman **CLIENT-MATTER NO.:** 000230.004

FROM: Jeanine DeBacker

RE: CMA - Retiree Health Benefits

Background

CMA employees become entitled to retiree health benefits for life as soon as they become CMA employees when they otherwise qualify to retire under PERS. The benefit for retirees starts at 50% of the benefit (the premium paid for employees) and increases 5% per year of service so they would be eligible for 100% of the benefit after 10 years of service. The minimum years of service for retirement are 5 years of service at a PERS agency. If service has been earned at another agency, but the employee retires from CMA, CMA is liable for payment of the health benefit. CMA provides health benefits as a "contracting agency" that elected to participate in the Public Employees Medical and Hospital Care Act (PEMHCA). This program is administered by PERS. PEMHCA contributions are governed by Gov. Code §22892 and §22893.

CMA elected to participate in PEMHCA in 1993. At that time, and pursuant to the governing law, CMA paid 100% of the premium for employees and their families. For annuitants (retirees), CMA agreed to pay "the amount necessary to pay the cost of . . .enrollment, including the enrollment of . . . family members, in a health benefits plan up to a maximum of $1.00 per month." This is called the "unequal" contribution election and cannot be changed by later amendment.[1] CMA's contribution for each annuitant is increased annually by 5% of the monthly contribution for employees until the contributions for employees and annuitants are

[1] The "equal" contribution election requires the employer to contribute statutory minimum amount on behalf of both active employees and retirees that will increase each year. For 2005, that amount is $48.40; in 2006 it will be $64.60.

equal. Therefore, as of 2005, CMA's contribution for each annuitant is 60% of the premium and the annuitant pays the balance.

For retirees, the minimum contribution by CMA must equal the State's retired contribution, annually calculated by the "100/90 formula." Gov. Code §22871. (100% of the weighted average of the health benefit plan premiums for State employees and annuitants enrolled for self alone plus 90% of the weighted average of the additional premiums required for enrollment of family members in the four health benefit plans that have the larges number of enrollments during the fiscal year to which the formula arrived).

Reduction of Retiree Health Coverage Contributions

A contracting agency may reduce the costs of retiree health coverage by establishing a vesting schedule for new employees, **and/or** by reducing the contributions to both employees and annuitants.

Vesting

The only[2] vesting schedule a contracting agency may impose is set forth in Gov. Code §22893. Under this section, an employee with 10 years of service is entitled to receive 50% of the employer contribution for health coverage at retirement. The contribution amount increases 5% each year thereafter.

These vesting rules may only apply to employees who are "first employed" by the contracting agency after the section is elected by the employer and approved by PERS.

The base employer contribution that the contracting agency is responsible for in §22893 "**shall be an equal amount for both employees and annuitants**." Gov. Code §22892. In other words, a contracting agency may create different employee groups, but within each group the base contribution on behalf of retirees and employees must be the same. (For many retirees, of course, the amount *actually received* at retirement would be reduced by the vesting requirements).

Minimum Contribution

The rules also allow an employer to reduce its contributions to actives and annuitants, requiring only a minimum monthly contribution. For 2005, that amount is $48.40; in 2006 it will be $64.60. Reducing the monthly contribution for current employees may be restricted by the vested rights rule, but some reduction is likely possible. For new employees who have no claim to any "vested rights," the minimum monthly contribution could be implemented without concern. (If this method is attractive, but recruitment is a concern, the formation of a cafeteria plan to offset the difference).

[2] Last year, Robert Blum speculated that a more generous vesting schedule could be imposed, but that PERS would not administer it – instead, the contracting agency would have to track it in house.

Approaches of other contracting agencies

You asked about other California public entities and their approach to retiree health benefit design in PEMHCA so that we could determine how other public agencies have been able to contract around the requirement of an equal base contribution for both actives and annuitants. I have found no support for an unequal contribution.[3]

It is important to note that some entities that may be assumed to be in the same position as CMA are not. For example, school districts may agree with their employees' unions to a different postretirement health coverage obligation through collective bargaining. Gov. Code §22895. This is also true for entities that employ state employees in State Bargaining Units 8, 12 or 13. Govt. Code §3517.6.[4]

In addition to the exceptions presented by school districts and other State Bargaining Unit employers, some entities (like the City of Fremont, for example) have established a cafeteria plan to avoid making contributions on behalf of retirees that equals those made on behalf of active employees. Instead, the employer makes the minimum contribution amount set forth in the statute on behalf of both actives and annuitants. This amount is well short of the actual premium to the individual – for example, in 2005, it is $48.40, so the employer contributes the remainder into the active employees' cafeteria accounts. This method was mentioned in Bob Blum's September 2003 memorandum regarding CMA's Retiree Health Benefits. I attach a summary explanation from PERS regarding the use of a cafeteria plan.

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[3] I was able to speak to another PERS representative today, who informed me that unequal contributions are permitted *where the retiree receives a greater contribution.* When I asked if this could be inverted, she said no. She sent my query up another level, and that representative in turn sent me up another level to the "contract agency specialist" who I have not yet heard back from.

[4] If a contracting agency simply has a unionized workforce, it is not necessarily exempt from the requirement that contributions on behalf of both annuitants and active employees be the same. However, if a contracting agency wants to institute the vesting rules set forth in §22893, the union must agree to the change.

ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

Actuarial Valuation of
Postretirement Medical Benefits

Valuation Date: July 1, 2005

Nicolay Consulting Group
July 2005

July 29, 2005

Mr. Dennis R. Fay
Executive Director
Alameda County Congestion Management Agency
1333 Broadway, Suite 220
Oakland, CA 94612

Dear Mr. Fay:

Re: Actuarial Valuation of Postretirement Medical Benefits

We are pleased to present the results of the actuarial valuation of the Alameda County Congestion Management Agency (ACCMA) postretirement medical benefit program. In preparing this report, we relied upon employee data and plan information supplied by the ACCMA. On the basis of the information provided to us, this report has been prepared in accordance with generally accepted actuarial principles and methods. It is our opinion that the actuarial assumptions are reasonably related to the actual experience of the plan and to anticipated future experience.

Any tests considered necessary to assure the accuracy of the results were performed. It should be recognized, however, that because future events frequently do not occur as expected, there are usually differences between projected and actual results. Accordingly, there can be no assurance that actual results will match the projections presented in this report.

Sincerely,

Dennis Daugherty, F.S.A.
Member, American Academy of Actuaries

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SECTION I

INTRODUCTION

The Alameda County Congestion Management Agency provides lifetime postretirement medical coverage to employees who retire at age 50 or older with five years of eligible PERS service. Medical coverage is provided through the PERS medical program for retirees, their spouses, and their eligible dependents. ACCMA will contribute an amount up to the self-plus-two-dependents Kaiser premium rate multiplied by a percentage. This percentage is based on the number of years that ACCMA has been in existence. Currently in 2005, the percentage is 55%. The percentage goes up 5% each year, until 100% is attained in year 2014.

Accounting Requirements

In July 2004 the Governmental Accounting Standards Board issued **Statement No. 45**, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement supersedes Statement 12 and requires governmental entities to begin accounting for postretirement benefits on an accrual basis. When the new accounting rules are adopted, public entities that sponsor postretirement benefits will be required to account for the cost of those benefits using accrual accounting rather than the more common pay-as-you-go accounting. This means that each employee's benefit will "accrue" throughout their working lifetime and that employers will be required to show the annual accruals as a current year expense.

Employers must adopt Statement 45 no later than the plan year that begins after December 15, 2006, 2007 or 2008 depending on the annual revenues of the entity (entities with total annual revenues of $100 million or more will adopt no later than the first year listed above, entities with total annual revenues of $10 to $100 million no later than the second year and entities with total annual revenues of less than $10 million will adopt no later than the third year).

Even though the new accounting rules will not be effective immediately, it is prudent for employers and plans to gain an understanding of the implications of the accrual accounting requirements.

SECTION II

VALUATION RESULTS

Table 2-1 contains estimates of the present value of future premiums that will be paid in all future years after retirement for the current group of employees and retirees. Estimates are shown for three eligibility rule scenarios:

a. Employees become eligible for benefits at age 50 with 5 or more years of PERS service. Note: this is the current benefit.

b. Retirees receive the following benefit based on years of service with ACCMA:

Years of Service	Employer Contribution	Years of Service	Employer Contribution
5	50%	11	80%
6	55%	12	85%
7	60%	13	90%
8	65%	14	95%
9	70%	15 or more	100%
10	75%		

c. Retirees receive the following benefit based on years of service with ACCMA:

Years of Service	Employer Contribution	Years of Service	Employer Contribution
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%
15	75%		

The present value estimates have been determined as of July 1, 2005. The valuation results are based on the assumptions that all employees will be subject to the same eligibility rule and that the ACCMA will provide life-time benefits to retirees, spouses, and surviving spouses.

These estimates are based on the recently released 2006 CalPERS Kaiser premium rates.

Table 2-1
Present Value of Future Benefit Cost
as of July 1, 2005
Discount Rate: 4.00%

	Number of Employees	Scenario a	Scenario b	Scenario c
Liability attributable to past service				
Active Employees	11	$455,965	$431,417	$363,039
Retirees	0	$0	$0	$0
Total	**11**	**$455,965**	**$431,417**	**$363,039**
Liability attributable to future service				
Active Employees	11	$851,516	$830,441	$761,018
Retirees	0	$0	$0	$0
Total	**11**	**$851,516**	**$830,441**	**$761,018**
Overall Total				
Active Employees	11	$1,307,481	$1,261,858	$1,124,057
Retirees	0	$0	$0	$0
Total	**11**	**$1,307,481**	**$1,261,858**	**$1,124,057**

Scenario a: Age 50 with 5 or more years of PERS service (current benefit)

Scenario b: 50% benefit at age 50 with 5 years of ACCMA service, increasing by 5% for each additional year of service. 100% benefit with 15 or more years of service.

Scenario c: 50% benefit at age 50 with 10 years of ACCMA service, increasing by 5% for each additional year of service. 100% benefit with 20 or more years of service.

Projected Health Benefit Costs

Table 2-2 contains a ten-year projection of ACCMA's pay-as-you-go premium cost to provide postretirement benefits to current and future retirees.

Table 2-2
Estimated Annual Pay-as-you-go Cost

	Scenario		
Year	a	b	c
2005/06	$519	$405	$257
2006/07	$1,559	$1,271	$836
2007/08	$2,882	$2,401	$1,576
2008/09	$4,891	$4,208	$2,828
2009/10	$7,464	$6,581	$4,471
2010/11	$10,208	$9,011	$6,087
2011/12	$10,956	$9,640	$6,497
2012/13	$14,324	$12,639	$8,580
2013/14	$18,105	$16,076	$11,196
2014/15	$21,584	$19,253	$13,727

Note that the small amount of benefits expected to be paid in the next several years represent the probability of retirement in those years by active employees currently eligible to retire. Actual benefit costs will likely be zero (no one retires) or much larger (if one or more employees retire).

Illustrative Health Benefit Costs Under Accrual Accounting

In July 2004 the Governmental Accounting Standards Board issued **Statement No. 45**, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires governmental entities to begin accounting for postretirement benefits on an accrual basis. When the new accounting rules are adopted public entities that sponsor postretirement benefits will be required to account for the cost of those benefits using accrual accounting rather than the more common pay-as-you-go accounting. This means that each employee's benefit will "accrue" throughout their working lifetime and that employers will be required to show the annual accruals as a current year expense. The change from pay-as-you-go accounting to accrual accounting will have a significant effect on the financial statements and balance sheets of many public sector employers.

Employers will be required to disclose in financial statements certain information regarding funding, costs and provisions of the postretirement plans.

The following discussion and Tables provides a pro forma illustration of the liability and financial statement expense that would appear in ACCMA's financial statement if GASB 45 was adopted as of July 1, 2005. Projections are shown for three valuation scenarios

Actuarial Accrued Liability

The Actuarial Accrued Liability is the present value of all postretirement benefits ***attributable to past service***. Based on a 4.00% discount rate, ACCMA's July 1, 2005 Actuarial Accrued Liability was $455,965 (50 & 5 eligibility rule).

Actuarial Value of Assets

The Actuarial Value of Assets are amounts that may be applied to fund the Actuarial Accrued Liability. Note: assets must be segregated and placed in a Trust in order to be considered OPEB assets. We assumed that ACCMA has not prefunded any portion of the obligation.

Unfunded Actuarial Accrued Liability

The difference between the Actuarial Accrued Liability and the Actuarial Value of Assets is the Unfunded Actuarial Accrued Liability. ACCMA's July 1, 2005 Unfunded Actuarial Accrued Liability was $455,965.

Net Other Postemployment Benefit (OPEB) Obligation

The net OPEB obligation is defined as *"The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan..."*.

Most employers will have no net OPEB obligation at the beginning of the year in which Statement 45 is implemented.

If an employer contributes the annual OPEB cost to the plan each year, and there are no actuarial or investment gains or losses, the net OPEB Obligation will remain zero.

Annual OPEB Cost

The annual OPEB cost is the amount that must be calculated and disclosed. When an employer has no net OPEB obligation (e.g., in the year of implementation) the annual OPEB cost is equal to the "Annual Required Contribution", or ARC.

The first year ARC consists of the Normal Cost plus the portion of the Unfunded Actuarial Accrued Liability that is to be amortized in the current period.

Normal Cost is the portion of the actuarial present value of future benefits that is allocated to a particular year. Another interpretation is that the Normal Cost is the present value of future benefits that are "earned" by employees for service rendered during the current year. Using the Projected Unit Credit method of calculation and an allocation period from date of hire until expected retirement, ACCMA's 2005/2006 Normal Cost for the 50 & 5 eligibility rule would be $71,733.

In the year the new accounting rules become effective an employer is allowed to commence amortization of the Unfunded Actuarial Accrued Liability, over a period not to exceed 30 years. If ACCMA elects to amortize the entire past service obligation over 30 years, the amount as of June 30, 2006 would be $26,369 for the 50 & 5 eligibility rule.

The result of these calculations is a first year ARC of $97,802. In subsequent years the Annual OPEB cost will include an additional component equal to one year's interest on the net OPEB obligation at the beginning of the year and other adjustments if there are actuarial or investment gains or losses. As long as the net OPEB obligation is zero there will not be any interest charge. However, if an employer does not contribute the full amount of the ARC, a net OPEB obligation will emerge.

Table 2-3 summarizes these calculations based on a 4.00% discount rate. A comparison is made between the estimated annual OPEB cost and ACCMA's estimated pay-as-you-go cost. Results are shown for the three scenarios described above.

Table 2-3

Development of Illustrative 2005/2006 Fiscal Year
OPEB Annual Required Contribution – based on a 4.00% discount rate

	Scenario		
	a	b	c
Actuarial Accrued Liability	$455,965	$431,417	$363,039
Actuarial Value of Assets	$0	$0	$0
Unfunded Actuarial Accrued Liability	$455,965	$431,417	$363,039
Amortization Period	30 years	30 years	30 years
Annual Level Dollar Amortization of Unfunded AAL	$26,369	$24,949	$20,995
Normal Cost (Projected Unit Credit Method)	$71,433	$67,047	$55,874
Annual Required Contribution	$97,802	$91,996	$76,869
Estimated 2005/2006 pay-as-you-go Expense	$519	$405	$257

Scenario a: Age 50 with 5 or more years of PERS service (current benefit)

Scenario b: 50% benefit at age 50 with 5 years of ACCMA service, increasing by 5% for each additional year of service. 100% benefit with 15 or more years of service.

Scenario c: 50% benefit at age 50 with 10 years of ACCMA service, increasing by 5% for each additional year of service. 100% benefit with 20 or more years of service.

Tables 2-4a, 2-4b and 2-4c present sample illustrations of the first and second year calculations for the three scenarios. In these illustrations we assume that the discount rate remains at 4.00%, that the valuation assumptions and Normal Cost remain unchanged, and that the Actuarial Value of Assets remain zero.

Table 2-4a

Development of Illustrative 2005/2006 and 2006/2007 Fiscal Year Annual OPEB Cost and Net OPEB Obligation – based on a 4.00% discount rate

Scenario a
Full benefit eligibility at age 50 with 5 or more years of PERS service

	2005/2006	**2006/2007**
Unfunded Actuarial Accrued Liability (UAAL)	$455,965	$545,118[1]
Development of the Annual Required Contribution:		
Normal Cost, end of fiscal year	$71,433	$71,433
30 Year Amortization of UAAL	$26,369	$31,524
Annual Required Contribution (ARC)	$97,802	$102,957
Development of Annual OPEB cost:		
ARC	$97,802	$102,957
Adjustment to the ARC[2]	$0	($5,626)
Interest on net OPEB obligation	$0	$3,891
Annual OPEB cost (expense)	**$97,802**	**$101,222**
Contributions made[3]	($519)	($1,559)
Increase in net OPEB obligation	$97,283	$99,663
Net OPEB obligation – beginning of year	$0	$97,283
Net OPEB obligation – end of year	$97,283	$196,946
Estimated pay-as-you-go Expense	**$519**	**$1,559**

Notes:
(1) Unless funded, the UAAL will grow quickly as unpaid benefits come closer to expected payment, and service continues to accrue.
(2) Beginning of year Net OPEB obligation amortized using same methods as ARC.
(3) Contributions assumed to equal estimated pay-as-you-go costs, see Table 2-2.

Table 2-4b

Development of Illustrative 2005/2006 and 2006/2007 Fiscal Year
Annual OPEB Cost and Net OPEB Obligation – based on a 4.00% discount rate

Scenario b
50% benefit with 5 years of ACCMA service, increasing in 5% increments to 100% with 15 or more years of service

	2005/2006	**2006/2007**
Unfunded Actuarial Accrued Liability (UAAL)	$431,417	$515,315(1)
Development of the Annual Required Contribution:		
Normal Cost, end of fiscal year	$67,047	$67,047
30 Year Amortization of UAAL	$24,949	$29,801
Annual Required Contribution (ARC)	$91,996	$96,848
Development of Annual OPEB cost:		
ARC	$91,996	$96,848
Adjustment to the ARC(2)	$0	($6,791)
Interest on net OPEB obligation	$0	$4,697
Annual OPEB cost (expense)	**$91,996**	**$95,215**
Contributions made(3)	($405)	($1,271)
Increase in net OPEB obligation	$91,591	$93,944
Net OPEB obligation – beginning of year	$0	$91,591
Net OPEB obligation – end of year	$91,591	$185,535
Estimated pay-as-you-go Expense	**$405**	**$1,271**

Notes:
(1) Unless funded, the UAAL will grow quickly as unpaid benefits come closer to expected payment, and service continues to accrue.
(2) Beginning of year Net OPEB obligation amortized using same methods as ARC.
(3) Contributions assumed to equal estimated pay-as-you-go costs, see Table 2-2.

Table 2-4c

Development of Illustrative 2005/2006 and 2006/2007 Fiscal Year Annual OPEB Cost and Net OPEB Obligation – based on a 4.00% discount rate

Scenario c

50% benefit with 10 years of ACCMA service, increasing in 5% increments to 100% with 20 or more years of service

	2005/2006	**2006/2007**
Unfunded Actuarial Accrued Liability (UAAL)	$363,039	$433,435[1]
Development of the Annual Required Contribution:		
Normal Cost, end of fiscal year	$55,874	$55,874
30 Year Amortization of UAAL	$20,995	$25,051
Annual Required Contribution (ARC)	$76,869	$80,925
Development of Annual OPEB cost:		
ARC	$76,869	$80,925
Adjustment to the ARC[2]	$0	($4,430)
Interest on net OPEB obligation	$0	$3,064
Annual OPEB cost (expense)	**$76,869**	**$79,559**
Contributions made[3]	($257)	($836)
Increase in net OPEB obligation	$76,612	$78,723
Net OPEB obligation – beginning of year	$0	$76,612
Net OPEB obligation – end of year	$76,612	$185,535
Estimated pay-as-you-go Expense	**$257**	**$836**

Notes:

(1) Unless funded, the UAAL will grow quickly as unpaid benefits come closer to expected payment, and service continues to accrue.

(2) Beginning of year Net OPEB obligation amortized using same methods as ARC.

(3) Contributions assumed to equal estimated pay-as-you-go costs, see Table 2-2.

SECTION III

PLAN DESCRIPTION AND DEMOGRAPHIC SUMMARY

ACCMA employees are eligible for postretirement medical benefits upon the later of reaching age 50 or five years of eligible PERS service. Eligible retirees may enroll in any of the plans available through the CalPERS Program. The ACCMA pays a percentage of the cost of coverage for the retiree and eligible dependents up to the self-plus-two-dependents Kaiser premium rate. Table 3-1 contains the 2005 and 2006 Kaiser rates.

Table 3-1

CalPERS Program monthly Kaiser premium rates

2005	Retiree	Retiree+Spouse	Retiree+2
Basic Retiree (i.e., younger than age 65)	$354.69	$709.38	$922.19
Supplemental Retiree (i.e., age 65 and older)	$243.22	$486.22	$729.66

2006	Retiree	Retiree+Spouse	Retiree+2
Basic Retiree (i.e., younger than age 65)	$389.38	$778.76	$1,012.39
Supplemental Retiree (i.e., age 65 and older)	$218.59	$437.18	$655.77

The percentage of the Kaiser premium paid by ACCMA is calculated by multiplying the calendar year percentage by the schedule percentage. Tables 3-2 details these percentages.

Table 3-2

Percentage Based on Number of Years ACCMA in Existence

(Calendar Year Percentage)

2005	55%	2010	80%
2006	60%	2011	85%
2007	65%	2012	90%
2008	70%	2013	95%
2009	75%	2014+	100%

Demographic Data

The ACCMA provided demographic information on 11 current active employees as of April 2005. This data was used to perform the July 1, 2005 valuation. Table 3-4 summarizes attained age and service based on hire for the active employees.

Table 3-4

Age and Service Table for Active Employees

As of July 1, 2005

Years of Service

Age	< = 5	5 - 9	10 - 14	15 - 19	20 - 24	> = 25	Total
Under 35	2	0	0	0	0	0	**2**
35 - 39	2	0	0	0	0	0	**2**
40 - 44	1	0	0	0	0	0	**1**
45 - 49	1	1	1	0	0	0	**3**
50 - 54	1	0	0	0	0	0	**1**
55 - 59	0	0	2	0	0	0	**2**
60 - 64	0	0	0	0	0	0	**0**
65 - 69	0	0	0	0	0	0	**0**
Total	**7**	**1**	**3**	**0**	**0**	**0**	**11**

SECTION IV

ACTUARIAL ASSUMPTIONS

Since retiree health benefits for the current group of active employees and retirees will be paid out over the next 50 years or more, a projection of future benefit payments and liabilities requires the use of actuarial assumptions that reflect the best estimate of what is likely to occur over the long-term.

Methodology

The valuation process uses a mathematical model to project the number of retirees and dependents in each future year based on the retirees at the beginning of the year who are expected to survive until the end of the year and the active employees expected to retire during the year. Health care costs per capita are also projected by service sector, age, sex, and status using the health care cost trend rates. The expected benefits payable in each future year are calculated based on the number of projected retirees or dependents and the anticipated future per capita costs.

To estimate the benefit obligation and financial statement expense, the present value of the future benefits is calculated by discounting the expected benefit payment back to the valuation date. The present value of future benefits is then attributed to periods of the individual's active employment to develop expense for financial statement, tax, or funding purposes.

Valuation Date

The valuation date is July 1, 2005. This date provides a starting point from which current health premium costs are increased according to the assumed annual rate of health care inflation. All projected future liabilities are then discounted back to the valuation date to obtain a present value of all future costs.

Economic Assumptions

Discount Rate

A discount rate is required to calculate the present value of future benefit payments. This discount rate (investment return assumption) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. A 4.0% rate was used for the July 1, 2005 valuation.

Health Care Trend

Based on recent rate increases and our assessment of likely future Kaiser rate increases, we developed the following annual healthcare trend rates for use in the valuation. The projected trend rates implicitly recognize the following influences on health care trend: pure medical inflation, utilization changes, technological changes, regulatory requirements, Medicare cost shifting, and aging.

We assumed that the relatively high rate of annual increases that we have seen the past few years will decrease gradually; reaching an ultimate annual rate of increase and remaining at that level into the future. Historically health care costs have risen at a faster rate than the rate of increase in the nation's GDP. Assuming that trend will continue, that the long term annual expected rate of increase in GDP is in the 3.5% to 4.0% range and that healthcare costs will increase at 1.5% to 2.0% more than the GDP, leads us to our 5.5% long term assumption.

In our original calculation, calendar year 2006 Kaiser CalPERS premium rates were assumed to increase 12% over calendar year 2005 rates. In this revised draft, actual 2006 Kaiser CalPERS premium rates were averaged with the 2005 rates to get the 2005/2006 plan year rates. Future premium rates were calculated using the medical trend rates in table 4-1.

Table 4-1
Annual CalPERS Kaiser
Medical Trend Rate Assumption
(i.e., the increase from the 2005/2006 Plan Year)

Plan Year Beginning	**pre-65**	**post-65**
July 1, 2006	9.4%	-1.1%
July 1, 2007	8.5%	8.5%
July 1, 2008	7.5%	7.5%
July 1, 2009	6.5%	6.5%
July 1, 2010	5.7%	5.7%
July 1, 2009+	5.5%	5.5&

Administrative Expenses

We assumed that there are no administrative fees other than those included in the monthly premium rates.

Plan Assets

We understand that ACCMA has not pre-funded the retiree health obligation.

Demographic Assumptions

In estimating this obligation, a number of demographic assumptions are needed. The retirement, mortality and termination rates used in this valuation were recently adopted for use in California PERS pension valuations.

Retirement Rates

We used the retirement rates in Table 4-2. These rates match Service Retirement rates that will be used in the next California PERS Public Agency Miscellaneous 2%@55 pension valuation.

Table 4-2

PERS Public Agency Miscellaneous - Annual Rates of Retirement

	Years of Service						
Age	**5**	**10**	**15**	**20**	**25**	**30**	**35**
50	0.0145	0.0184	0.0224	0.0269	0.0307	0.0366	0.0411
51	0.0106	0.0135	0.0164	0.0198	0.0226	0.0269	0.0302
52	0.0114	0.0145	0.0176	0.0212	0.0241	0.0287	0.0323
53	0.0150	0.0190	0.0231	0.0278	0.0318	0.0378	0.0425
54	0.0199	0.0252	0.0307	0.0369	0.0421	0.0502	0.0564
55	0.0475	0.0604	0.0734	0.0883	0.1008	0.1200	0.1349
56	0.0395	0.0502	0.0611	0.0735	0.0838	0.0998	0.1123
57	0.0427	0.0542	0.0659	0.0793	0.0905	0.1078	0.1212
58	0.0473	0.0601	0.0730	0.0879	0.1003	0.1194	0.1343
59	0.0510	0.0648	0.0788	0.0948	0.1082	0.1287	0.1448
60	0.0715	0.0908	0.1104	0.1328	0.1516	0.1804	0.2030
61	0.0715	0.0908	0.1104	0.1328	0.1516	0.1805	0.2030
62	0.1275	0.1620	0.1969	0.2369	0.2704	0.3219	0.3621
63	0.1287	0.1636	0.1988	0.2392	0.2731	0.3250	0.3656
64	0.0931	0.1182	0.1438	0.1729	0.1974	0.2350	0.2643
65	0.1738	0.2209	0.2686	0.3231	0.3688	0.4390	0.4938
66	0.1085	0.1378	0.1675	0.2016	0.2301	0.2739	0.3081
67	0.1109	0.1409	0.1713	0.2061	0.2353	0.2801	0.3150
68	0.0878	0.1116	0.1356	0.1632	0.1863	0.2217	0.2494
69	0.1035	0.1315	0.1599	0.1923	0.2196	0.2614	0.2940
70	0.1224	0.1555	0.1890	0.2274	0.2596	0.3090	0.3476
71	0.0941	0.1195	0.1453	0.1748	0.1995	0.2375	0.2672
72	0.1035	0.1315	0.1598	0.1923	0.2195	0.2613	0.2939
73	0.0834	0.1060	0.1289	0.1551	0.1770	0.2107	0.2370
74	0.0644	0.0818	0.0995	0.1197	0.1366	0.1626	0.1830
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Mortality

Table 4-3 contains samples of mortality rates used in the valuation. These rates match rates adopted for use in the next PERS pension valuation.

Table 4-3

Sample PERS Mortality Rates

	Preretirement		**Postretirement**	
Age	**Male**	**Female**	**Male**	**Female**
25	0.034%	0.021%		
30	0.048%	0.031%		
35	0.067%	0.044%		
40	0.094%	0.063%		
45	0.130%	0.088%		
50	0.179%	0.125%	0.245%	0.136%
55	0.248%	0.178%	0.429%	0.253%
60	0.344%	0.256%	0.721%	0.442%
65	0.480%	0.369%	1.302%	0.795%
70	0.671%	0.537%	2.135%	1.276%
75			3.716%	2.156%
80			6.256%	3.883%
85			10.195%	7.219%
90			17.379%	12.592%

Termination

Sample termination rates are shown below. They match rates adopted for use in the next PERS pension valuation.

Table 4-4

Public Agency Miscellaneous Employees - Annual Withdrawal Rates

	Entry Age						
Service	**20**	**25**	**30**	**35**	**40**	**45**	**50**
0	0.17600	0.16910	0.16220	0.15525	0.14830	0.14140	0.13450
1	0.15610	0.14920	0.14230	0.13535	0.12840	0.12150	0.11460
2	0.13620	0.12930	0.12240	0.11545	0.10850	0.10160	0.09470
3	0.11630	0.10940	0.10250	0.09555	0.08860	0.08170	0.07480
4	0.09640	0.08950	0.08260	0.07565	0.06870	0.06180	0.05490
5	0.07650	0.06965	0.06270	0.05575	0.04880	0.03085	0.01290
6	0.07270	0.06580	0.05880	0.05190	0.04500	0.02810	0.01120
7	0.06890	0.06190	0.05500	0.04815	0.04110	0.02535	0.00960
8	0.06500	0.05805	0.05120	0.04425	0.03730	0.02265	0.00800
9	0.06120	0.05430	0.04730	0.04040	0.03350	0.02000	0.00650
10	0.05740	0.05045	0.04350	0.03660	0.00950	0.00730	0.00510
15	0.04460	0.03755	0.03070	0.00645	0.00460	0.00270	0.00080
20	0.03180	0.02490	0.00410	0.00250	0.00090	0.00055	0.00020
25	0.01900	0.00215	0.00090	0.00055	0.00020	0.00020	0.00020
30	0.00100	0.00060	0.00020	0.00020	0.00020	0.00020	0.00020
35+	0.00020	0.00020	0.00020	0.00020	0.00020	0.00010	0.00000

Percentage of Retirees with Dependents

50% of future retirees are assumed to have spousal coverage at retirement.

Spouse Age Difference

Males are assumed to be three years older than their spouses.

Health Plan Participation

100% of eligible employees will enroll in the postretirement medical plans.

SECTION V

Glossary

- Accrual Accounting – A method of matching the cost of an employee's service, including long term obligations such as OPEB, to that employee's period of active service.
- Actuarial Accrued Liability (AAL) – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of plan benefits and expenses which is not provided for by future Normal Costs. Note: the AAL is sometimes referred to as the Past Service Liability
- Actuarial Cost Method – A procedure for allocating the actuarial present value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
- Actuarial Present Value – The value of an amount or series of amounts payable or receivable at various times. Each such amount or series of amounts is:

  a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.)

  b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and

  c. discounted according to an assumed rate (or rates) of return to reflect the time value of money
- Actuarial Valuation – The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets and related Actuarial Present Values.
- Amortization Payment – That portion of the Annual OPEB cost which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
- Annual OPEB cost - An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

- Annual required contributions of the employer (ARC) - The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.

- Defined benefit OPEB plan - An OPEB plan having terms that specify the *benefits* to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors, such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

- Defined contribution plan - A pension or OPEB plan having terms that (a) provide an individual account for each plan member and (b) specify *how contributions to an active plan member's account are to be determined*, rather than the income or other benefits the member or his beneficiaries are to receive at or after separation from employment. Those benefits will depend *only* on the amounts contributed to the member's account, earnings on investments of those contributions, and forfeitures of contributions made for other members that may be allocated to the member's account. For example, an employer may contribute a specified amount to each active member's postemployment healthcare account each month. At or after separation from employment, the balance of the account may be used by the member or on the member's behalf for the purchase of health insurance or other healthcare benefits.

- Employer's contributions - Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

- Healthcare cost trend rate - The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

- Investment return assumption (discount rate) - The rate used to adjust a series of future payments to reflect the time value of money.

- Net OPEB obligation - The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

- Normal Cost - That portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

- OPEB assets - The amount recognized by an employer for contributions to an OPEB plan greater than OPEB expenses.

- OPEB expense - The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.

- Other postemployment benefits (OPEB) - Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, except benefits defined as special termination benefits.

- Plan assets - Resources, usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, or in an equivalent arrangement, in which (a) employer contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer(s) or plan administrator, for the payment of benefits in accordance with the terms of the plan.

- Substantive plan - The terms of an OPEB plan as understood by the employer(s) and plan members.

- Unfunded Actuarial Accrued Liability (UAAL) – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

- Valuation date – The date as of which the postemployment benefit obligation is determined.

CMA RETIREE HEALTH BENEFIT SURVEY
November, 2005

City/Contact	Eligibility	Monthly Benefit	Coverage	Comment
A.C. Transit	5 yrs = 50%, increasing 10% annually to 10 yrs at 100%	Amount currently paid for employee – lowest HMO rate. Co-payment for employee if they want different medical coverage then Company covers. Free vision care (with deductible) for retiree only.	Lifetime. Reduction in benefits when Medicare kicks in.	
Alameda County (ACERA)	10 yrs of service = 50% 15-19 yrs = 75% 20 + yrs = 100%	Currently maximum $455.38/monthly. Vision/Dental is paid by ACERA.	Lifetime.	
Albany	5 years of service = 100%	Currently pays the PERS minimum which is $10/month for lowest HMO rate.	Lifetime. PERS requires retirees to utilize Medicare at age 65.	Only for retiree.
BART	5 yrs of service = 100%	Amount currently pays $848.55 for retiree and $1468.42 w/spouse	Lifetime	
Berkeley	8 yrs of service = 100%	Limit – Kaiser rate for 1998 plus 4.25% increase per year.	Limited. Reduction in benefits when Medicare begins.	
Cal Trans	10 yrs = 50%, increasing 5% a year to 20 yrs = 100%	No cap	Lifetime	

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CMA RETIREE HEALTH BENEFIT SURVEY
November, 2005

City/Contact	Eligibility	Monthly Benefit	Coverage	Comment
Dublin	Must have 5 yrs w/City 10 yrs = 50% 20 yrs = 100%	Amount currently paid for employees ($967.29 per month), as increased annually.	Lifetime	
Emeryville	11 yrs of service = 100% - no prorata See comments	Offered to retiree and family, if employee paid for family current employ. Currently, Family is $363/month; retiree only $153/month.	Lifetime. No reduction in benefits when Medicare becomes available.	Employees hired after 7/1/02 – retirement benefits only after 11 years of services. Employees hired prior to 7/1/02 – retirement benefits upon employment.
Fremont	10 yrs of service = 100%	Amount currently paid for employees ($170.00 per month), as increased annually.	Lifetime	Option to remain in City plan or to enroll in a non-City plan and still receive a reimbursement of premium costs up to the limit
Hayward	5 yrs of service = 100%	Amount currently paid for employees ($226.01 per month), as increased annually.	Lifetime	

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CMA RETIREE HEALTH BENEFIT SURVEY
November, 2005

City/Contact	Eligibility	Monthly Benefit	Coverage	Comment
Livermore	5 yrs = 50% Increasing annually 2.5% to 25 yrs = 100%	Kaiser two party rate. Currently, $708.04 per month.	Lifetime	
Newark	5 yrs of PERS = 100% 1-4 yrs are offered COBRA	Currently paying $48.40 per month to PERS. Increases annual.	Lifetime. Pays supplemental charges to PERS when Medicare become in effect. Currently at $15.10/month.	Total "comp" benefits.
Oakland	10 yrs of service = 100%	Current maximum $425.22. Less than 10 yrs = $126.	Lifetime	
Piedmont	5 yrs of PERS service = 100%	Minimum PERS – 5% increases annually. Currently pays 26.26% of Kaiser rate of $354.69 retiree only; 26.90% of Kaiser rate of $922.19 per family.	Lifetime.	
Pleasanton	10 yrs of service = 75% 15 yrs = 80% 20 yrs = 90% 25 yrs – 100%	4% of the Kaiser two Party Early Retirement rate per year of service.	Lifetime	
San Leandro	5 yrs of service – 100%	Amount currently paid for employees ($360 per month), as increased annually. No co-pay for retiree.	Transfers to Medicare coverage at age 65	

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CMA RETIREE HEALTH BENEFIT SURVEY
November, 2005

City/Contact	Eligibility	Monthly Benefit	Coverage	Comment
Union City	No medical benefits offered.	None. Quarterly payments for policemen and firemen for medical.	None.	Only pension payments for retirees.
Private Engineering Firm A* Firm B* Firm C*				For all firms: No retiree health benefits paid (contributions to 401K only)

*Firms preferred not to be identified.

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ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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MEMORANDUM

January 9, 2006
Agenda Item 4.2

DATE: December 21, 2005

TO: Administration & Legislation Committee

FROM: Dennis R. Fay, Executive Director DRF

SUBJECT: Response to Growing CMA Responsibilities

Action Requested

In response to the growth of the CMA's responsibilities and functions over the last year or so, staff has been reviewing policies, procedures and resource levels to assure to the extent possible the agency is ready for these new duties. In September 2005, the CMA adopted changes to the Administrative Code relating to these new duties. Staff has continued to review needed changes in order to position the agency for success. This memo discusses a proposed concept for bringing certain functions in-house that are now being provided through consultants. This memo also outlines the budget implications, including savings and benefits. Converting selected consultant tasks to staff is within the forecast revenue for the agency and has the added benefit of providing revenue that can be applied to the administrative overhead of the agency rather than to the overhead of consultants. Staff is seeking the Committee's review and comment on this concept. If the Committee supports this approach, staff will provide a detailed plan, including job specifications and a revised annual budget, in February for action.

Discussion

Background. The CMA's responsibilities have grown dramatically over the last few years, as evidenced by the dramatic increase in the annual budget from $1.5 million in 1995-6 to $7.5 million in 2000-01 to $42 million in 2005-6. During recent years the CMA has taken on several new responsibilities including the following:

- The SMART corridors program has grown and now includes assisting AC transit with deployment of the Rapid Bus.
- The CMA is the sponsor or co-sponsor of several Regional Measure 2 (RM 2) projects that are in project development and will soon move into construction.
- MTC has asked the CMAs to take on new responsibilities associated with the T Plus program, the Transportation for Livable Communities (TLC) program, community based

transportation plans, Lifeline Transportation, and bicycle/pedestrian funding. Other delegations may be on the way.

- The CMA is developing the first HOT lane project in Northern California over the Sunol Grade on I-680 and the Board has authorized studies of a second project on I-580 in the Livermore Valley.
- The CMA will be conducting the Central County Freeway study for ACTA as part of the substitute projects for the Hayward Bypass.
- The CMA's responsibilities for programming federal and state funds and monitoring sponsor compliance continue to grow.

As each of these new functions was undertaken, consultants were used to the extent possible, rather than increase the size of staff. While using consultants for any one of these new functions was a reasonable decision, a different decision would have been made had all new functions materialized simultaneously. It is now time to reconsider the balance between staff and consultants.

Concept. The following functions, now being provided through consultants, are candidates for conversion to staff:

- Project management for RM 2 projects and other projects
- Support for the CMA's fund programming functions
- Information technology support for the SMART corridors program
- Various administrative functions, including contract compliance

It is proposed that parts of these functions be brought in-house by creating the following staff positions:

1. A project manager for RM 2 -- this position has already been authorized but was filled with a dedicated consultant for various reasons
2. An engineer to assist the RM 2 project manager
3. A position in the programming section to help with fund programs and monitoring
4. A technical assistant for information technology associated with the SMART corridors program and other technical needs of the agency
5. An additional administrative assistant in the Programming and Projects section
6. A project manager in the Planning section for the Central County Freeway study, bicycle plan, dynamic ridesharing and other functions
7. A contracts administrator – this position will include processing all contracts and amendments to contracts, assuring contract compliance including the DBE, LBE and SBE programs, and other related functions
8. An administrative assistant for general office duties

Consultants would still be used to cover specialized work and to handle peaks in workload.

Budget Implications. It is projected that revenue from grants and other agreements over the next 2 to 5 years will cover the cost of the new positions. When looking back at the history of this agency, functions and responsibilities have grown significantly every 3 to 5 years. In effect, a five-year horizon is a long term planning period for this agency. Converting selected consultant tasks to staff is within the forecast revenue for the agency and has the added benefit of providing revenue that can be applied to the administrative overhead of the agency rather than to the overhead of consultants. Based on our estimates, project budgets will benefit from the conversion to staff, and the agency will get a net new contribution to the agency overhead of approximately $375,000 annually. There will of course be start up costs, such as reconfiguring the office and purchasing furniture and other equipment.

The attached material provides more detail on the functions and responsibilities of the new positions and provides an estimate of the expected savings and benefits to the agency overhead.

Attachment 1
Functions to be Converted to Staff and Cost-Benefit Implications

Functions

- Project management for Central County Freeway Study and follow up PSRs and environmental documents
- Phase 1 of Dynamic Ridesharing Pilot and any follow up
- Project management for Countywide Bicycle Plan Update
- Development of Countywide Bicycle Signage Program
- Assist in preparation of the I-580 HOT Supplemental PSR
- Assist with update of travel demand model
- Project management for the design of the I-580 soundwall in Oakland
- Project management for the design of the I-580 soundwall in San Leandro
- Project management for the design and construction of the Ardenwood Park & Ride lot
- SMART Corridors management and information technology:
    - Network and software design
    - Systems operations and maintenance
- Contracts management and compliance
- CMA website management
- Adminstration of CMA soundwall selection policy
- Project management for the preparation of the I-680/I-880 cross connector PSR
- Oversight and supervision of I-580 corridor projects including:
    - Transportation management plan design and construction
    - Interim EB HOV Lane design and construction
    - Soundwall construction
    - Coordination with HOT development
    - I-580/I-680 Project Study Report
    - BART right of way environmental
    - Ultimate project environmental and project report
- Project management for Dumbarton Bridge HOV construction
- Regional Measure 2 administration (quarterly reports, allocation requests, etc.)
- Supervision of on-call construction management services for various projects
- Project monitoring reports for TFCA, federal, STIP and CMA TIP funding programs
- Funding program assistance to sponsors
- Assistance to sponsors relating to project delivery
- Transit Oriented Development (TOD) monitoring reports
- Various administrative functions now handled by contractors such as development of spreadsheets, charts, etc.

Cost-Benefit

Estimated current consultant cost for the above functions	$1,600,000 annually
Estimated compensation for new staff positions (salary and benefits)	$900,000 annually
Estimated cost to projects for new positions (salary, benefits, overhead)*	$1,275,000 annually
Estimated net new contribution to agency overhead*	$375,000 annually

Based on these estimates, project budgets will benefit from the conversion to staff and the agency will get a net new contribution to the agency overhead of approximately $375,000 annually.

* This estimate assumes that, for seven of the new positions, 80% will be billed to projects and 20% will be overhead. The administrative assistant for general office duties is assumed to be exclusively overhead.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
WORK PROGRAM MILESTONES
Fiscal Year 2006-2007

Date | **Milestone**

1st Quarter

- Roadway level of service (LOS) monitoring
- Coordinate Housing Needs Determination Methodology in consultation with ABAG and local jurisdictions
- Develop "Best Practices" for Transit Oriented Development (TOD) in Alameda County
- Complete development of countywide travel model, including final report
- Dynamic Ridesharing Pilot Program – Final Report
- Central County Freeway Study – begin study
- Grand Ave and MacArthur SMART and Rapid Bus Corridor – complete design
- SMART Corridors Program – strategy for capital investment to reduce O&M costs
- Dumbarton Bridge approach HOV lane extension – complete Plans, Specifications & Estimates (PS&E)
- Ardenwood Park & Ride Lot – start construction
- I-580 Tri Valley Transportation Management Plan (TMP) – award construction contract
- I-580 Tri Valley Eastbound Interim HOV Lane – environmental document complete
- I-580 Tri Valley right of way protection for BART – begin environmental documentation
- I-680 Smart Carpool Lane Project – stakeholder interviews and public opinion poll
- Quarterly budget review
- LBE, SBE and DBE Programs – quarterly reports to Administration & Legislation Committee
- CMA Exchange Program Administration and Oversight
- Project monitoring, reporting, oversight, and control (STIP, TCRP, ACTIA, TFCA, RM2, federally funded and CMA sponsored projects)

2nd Quarter

- 2005-06 "State of Transportation in Alameda County" Report
- Report to Air District on TFCA vehicle registration fee program
- Revise TFCA vehicle registration fee program guidelines, as appropriate
- 2007 CMA Legislative Program
- Conformance of cities/County with Congestion Management Program
- Countywide Traffic Impact Fee reevaluation – Final Report
- East Oakland Community Based Transportation Plan – Final Report

2nd Quarter (cont'd)

- Berkeley Community Based Transportation Plan – Final Report
- TFCA Exchange Fund program of projects (TFCA funds exchanged with MTC for CMAQ funds)
- Uptown Transit Center, Oakland – complete construction
- E 14th/Int'l Blvd/Broadway/Telegraph SMART and Rapid Bus Corridor – complete construction of non-Rapid elements
- Ardenwood Park & Ride Lot – complete construction
- Dumbarton Bridge approach HOV lane extension – start construction
- I-580 Tri Valley Eastbound Interim HOV Lane – complete Plans, Specifications & Estimates (PS&E)
- I-680 Smart Carpool Lane Project – Plans, Specifications & Estimates to Caltrans
- Annual audit
- Quarterly budget review
- LBE, SBE and DBE Programs – quarterly reports to Administration & Legislation Committee
- CMA Exchange Program Administration and Oversight
- Project monitoring, reporting, oversight, and control (STIP, TCRP, ACTIA, TFCA, RM2, federally funded and CMA sponsored projects)

3rd Quarter

- Agency Organizational Workshop/Retreat
- Annual Report
- CMA Work Plan and FY 07-08 Budget
- Report on attainment of DBE Goals in FY 2005-06
- 2005-06 "Mobility Monitor"
- Countywide Bicycle Plan – annual review of status of high priority projects and network updates, as needed
- Draft 2007-08 TFCA vehicle registration fee program
- Begin development of 2007 Congestion Management Program
- SMART Corridors Operations and Management – commitments for 2007-8 costs
- Grand Ave and MacArthur SMART and Rapid Bus Corridor – start construction
- I-880 North Safety Improvements (Fruitvale area) – environmental document/PSR/PR
- I-880 North Safety Improvements (Fruitvale area) – begin design
- I-580 Tri Valley Eastbound Interim HOV Lane – advertise construction contract
- I-580/I-680 Connector – complete Project Study Report
- I-680 Smart Carpool Lane Project – right of way certification
- I-680 Smart Carpool Lane Project – electronic toll system project development plan
- Quarterly budget review
- LBE, SBE and DBE Programs – quarterly reports to Administration & Legislation Committee

3rd Quarter (cont'd)

- CMA Exchange Program Administration and Oversight
- Project monitoring, reporting, oversight, and control (STIP, TCRP, ACTIA, TFCA, RM2, federally funded and CMA sponsored projects)

4th Quarter

- Annual Statements of Financial Interest
- Final 2007-08 TFCA vehicle registration fee program
- Solicit candidate projects for 2008 State Transportation Improvement Program (STIP)
- Central County Freeway Study – Final Report
- E 14th/Int'l Blvd/Broadway/Telegraph SMART and Rapid Bus Corridor – Project close-out
- SMART Corridors Operations and Management – second year field maintenance contract
- I-580 Soundwalls Oakland (14th and Ardley) – complete design
- I-580 Soundwalls San Leandro (Estudillo to 141st) – complete design
- I-680/I-880 Cross Connector Project Study Report – draft report
- I-580 Tri Valley Transportation Management Plan (TMP) – complete construction
- I-580 Tri Valley Eastbound Interim HOV Lane – start construction
- I-580 Tri Valley Corridor Improvements (ultimate project) – begin environmental documentation
- I-580 Tri Valley High Occupancy Toll (HOT) Lane supplemental Project Study Report
- I-680 Smart Carpool Lane Project – ready to list for construction bids
- I-680 Smart Carpool Lane Project – begin electronic toll system software design and procurement
- Quarterly budget review
- LBE, SBE and DBE Programs – quarterly reports to Administration & Legislation Committee
- CMA Exchange Program Administration and Oversight
- Project monitoring, reporting, oversight, and control (STIP, TCRP, ACTIA, TFCA, RM2, federally funded and CMA sponsored projects)

Milestones will be determined based on work by others or as part of CMA work program:

- Projects for federal funding programs (timing based on MTC)
- Dynamic ridesharing pilot program – next steps
- I-580/I-680 Connector – environmental document
- Northbound I-680 HOV lane

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
WORK PROGRAM
Fiscal Year 2006-2007

Administration

1. CMA Work Plans and Budgets	
• Draft CMA Work Plan and FY 07-08 Budget	3rd Quarter
• Final CMA Work Plan and FY 07-08 Budget	3rd Quarter
• Revise/Amend Annual Work Plan/Budget	Quarterly Review
2. Legislation/Advocacy	
• 2007 Legislative Program	2nd Quarter
• Analysis of Legislation	Ongoing
• Provide cities, County and transit operators with information on legislation	Ongoing
• Participate in statewide and region-wide CMA forums	Ongoing
• Public Outreach	
> CMA Newsletter	Monthly
> 2005-06 "State of Transportation in Alameda County" Report	2nd Quarter
> 2005-06 Mobility Monitor	3rd Quarter
> Other project specific newsletters	As required
3. CMA Board & Committees/ACTAC	
• General Support	Ongoing
• Annual Statements of Financial Interest	4th Quarter
• Agency organizational workshop/retreat	3rd Quarter
4. Management Systems	
• Contract Administration, Accounting, etc.	Ongoing
• Office management	Ongoing
• Website maintenance and updates	Ongoing
• Funds Management	Ongoing
• Personnel and Benefits management	Ongoing
• Progress reports to MTC, ACTIA, RM2, BAAQMD, State and Feds pursuant to funding contract	Quarterly
• Financial Reports	Monthly
• Annual Audit	2nd Quarter
• Report on attainment of DBE goals in FY 2005-06	3rd Quarter
• Report on DBE, LBE and SBE programs to Administration & Legislation Committee	Quarterly
• Contractor/consultant Outreach	Ongoing
• Project monitoring, reporting, oversight and control (STIP, ACTIA, TFCA, TCRP, RM2, federally funded projects and CMA sponsored projects)	Quarterly
• CMA Exchange Program administration & oversight	Ongoing/ Quarterly Reports

5. Service/Reporting • Annual Report	3rd Quarter
6. Legal Services	Ongoing

Congestion Management Program

1. Transportation Network and Roadway Service Standards	
• Roadway Level of Service (LOS) Monitoring	Spring 2006
• Final LOS Report	1st Quarter
• Assist in the continued refinement of MTC's Metropolitan Transportation System	As needed
2. Performance Element	
• Annual performance reports	
> 2005-06 "State of Transportation in Alameda County" report	2nd Quarter
> 2005-06 Mobility Monitor	3rd Quarter
3. Trip Reduction Program	
• Annual Monitoring	2nd Quarter
• Implementation of Guaranteed Ride Home Program	Ongoing
4. Land Use Impacts Program	
• Annual Monitoring	2nd Quarter
• Transportation – Land Use Connection, *T-Plus*, based on MTC approved work program:	
> Coordinate MTC Resolution 3434 Transit Oriented Development (TOD) policies with affected jurisdictions	Ongoing
> Monitor progress of TOD projects identified in Countywide Transportation Plan	Ongoing
> Provide implementation assistance for TOD projects identified in Countywide Transportation Plan	Ongoing
> Incorporate ABAG's Projections 2007 into CMA travel model	Early 2008
> Develop 'Best Practices' for TOD in Alameda County	1st Quarter
> Coordinate Housing Needs Determination Methodology in consultation with ABAG and local jurisdictions	1st Quarter
> Countywide Traffic Impact Fee Reevaluation (CMA conducted an evaluation in the early 90s; MTC has requested this matter be reevaluated as part of its T-Plus contract with the CMAs) – Final Report	2nd Quarter
> Provide support for TLC/HIP Program	On-going
• Coordination of land use/transportation impacts among two or more CMAs	Ongoing
• Review of General Plan Amendments/large projects and associated environmental documents	As necessary

5. Capital Improvement Program
   - Participate in the development of MTC funding policies, including refining criteria, identifying and ranking projects, soliciting project proposals and developing a capital improvement program
     - > Solicit candidate projects for 2008 STIP — 4th Quarter
     - > Draft 2008 STIP list — Summer 2007
     - > Final 2008 STIP list to MTC (include in CMP) — Fall 2007
     - > MTC Action on 2008 Regional Transportation Improvement Program (RTIP) — December 2007
     - > 2008 State Transportation Improvement Program (STIP) Adoption by CTC — March 2008
     - > Solicit projects for federal funding programs — tbd
     - > Amend CMP, as needed, to incorporate federally funded projects — tbd
   - Project Monitoring — Ongoing

6. Travel Modeling
   - Countywide model Updates
     - > Begin development of new travel model in response to 2000 Census, consistent with MTC regional model — Spring 2005
     - > Complete development of travel model and Final Report — 1st Quarter
   - Land Use Data Base Updates: The Land Use Data base will require updating following each revision of the regional data base by ABAG.
     - > Revise CMA land use database to recognize ABAG Projections 2007 — Early 2008

7. Conformance Findings/Deficiency Plans
   - Update CMP Conformance guidelines — As necessary
   - Conformance of cities/county with CMP — 2nd Quarter
   - Review of Deficiency Plans — 2nd Quarter
   - Environmental Review — Ongoing

8. Updates of the CMP
   - Begin development of 2007 CMP — 3rd Quarter
   - Release draft 2007 CMP — Summer 2007
   - Final 2007 CMP — Fall 2007

Countywide Transportation Plan

1. Plan Implementation
   - Coordination of Plan with MTC's Regional Transportation Plan — Ongoing
   - Coordination with Contra Costa, Santa Clara and San Joaquin counties — Ongoing

2. Updates

   Next update of the CWTP will occur in 2008

3. Corridor/Special Studies
   - San Pablo Avenue Corridor
     - > Follow-up actions as needed — Ongoing
   - Countywide Bicycle Plan (TDA and Measure B funded)
     - > Complete Plan Update — Spring 2006
     - > Annual review of status of high priority projects and network updates as needed — 3rd Quarter
   - Tri-Valley Triangle Analysis (CMA TIP funded)
     - > Begin Analysis — January 2005
     - > Final Report — Spring 2006
   - Community Based Transportation Plans (MTC funded)
     - > West Oakland Plan
       Final Report — Spring 2006
     - > East Oakland Plan
       Begin development of plan — Spring 2006
       Final Report — 2nd Quarter
     - > Berkeley Plan
       Begin development of plan — Spring 2006
       Final Report — 2nd Quarter
   - Central County Freeway Study
     - > Begin Study — 1st Quarter
     - > Alternatives Analysis — 4th Quarter
     - > Draft Report — Summer 2007
     - > Final Report — Fall 2007

4. Coordination
   - Coordination with studies and programs by others (e.g., AC Transit's BRT Study and EIR, VTA's South Bay extension studies and environmental, BART's WSX environmental, BART's Oakland Airport Connector project) — Ongoing
   - Participate in Air Quality Conformity Matters — Ongoing

Funding Programs

1. Surface Transportation Program/Congestion Mitigation & Air Quality Program	
• Federal funding programs (local streets & roads rehab, bike/ped, TLC, Lifeline Transportation, etc.)	
> Participate in the development of MTC funding policies, including criteria	Ongoing
> Review/revise project application guidelines, as needed	tbd
> Solicit projects for federal funding program	tbd
> Rank and select projects for programs	tbd
> Amend CMP, as needed, to incorporate projects	tbd
• At Risk Reports	Quarterly
2. State Transportation Improvement Program (STIP)	
• Participate in the development of funding policies, including refining criteria	Ongoing
• Develop and adopt CMA programming policies for 2008 STIP	4th Quarter
• Solicit candidate projects for 2008 STIP	4th Quarter
• Draft 2008 STIP list	Summer 2007
• Final 2008 STIP list to MTC; include in CMP	Fall 2007
• MTC Action on 2008 Regional Transportation Improvement Program (RTIP)	December 2007
• CTC action on 2008 State Transportation Improvement Program (STIP)	March 2008
• At Risk Reports	Quarterly
3. CMA Exchange Program and Transportation Improvement Program (CMA TIP)	
• CMA Board adopts revised program	As needed
• Agreements with exchange program sponsors	Ongoing as needed
• Agreements with CMA TIP project sponsors	Ongoing as needed
• Project Monitoring and Administration of CMA TIP	Ongoing
• Program status reports	Quarterly
4. Transportation Fund for Clean Air (TFCA) Vehicle Registration Fee Program	
• Program Administration	
> Revise guidelines, as appropriate	2nd Quarter
> Solicit candidate projects for FY 07-08 Program	3rd Quarter
> Prepare draft program for CMA Board consideration	3rd Quarter
> Final FY 07-08 program	4th Quarter
• Program Implementation	
> At Risk Reports	Quarterly
> Keep necessary records including audit trail	Ongoing
> Report to Air District	2nd Quarter

> Audits by Air District	tbd
• TFCA Exchange Funds (TFCA funding exchanged with MTC for CMAQ funds)	
> Call for projects	Spring 2006
> Exchange Fund program of projects	2nd Quarter

5. Project Assistance

• Provide cities, County and transit operators with information on federal, state and regional funding programs	Ongoing
• Assist with applications, follow-up and advocacy consistent with CMA policy	Ongoing
• Work with TCRP implementing agencies to deliver projects where CMA is the applicant agency	Ongoing

Project Implementation

1. E. 14th/Int'l Blvd/Broadway/Telegraph SMART and Rapid Bus Corridor (all costs reimbursed through grants – RM 2, CMA Exchange Program, TFCA, etc)
   - Complete construction of Rapid Bus elements — June 2006
   - Complete construction of non-Rapid elements — 2nd Quarter
   - Project close-out — 4th Quarter

2. Uptown Transit Center, Oakland (funded by AC Transit)
   - Award construction contract — Spring 2006
   - Start construction — Spring 2006
   - Complete construction — 2nd Quarter

3. SMART Corridors: Grand Ave and MacArthur Corridor (all costs reimbursed through grants – RM 2 and TFCA)
   - Complete systems engineering — December 2005
   - Start design — Spring 2006
   - Complete design — 1st Quarter
   - Start construction — 3rd Quarter
   - Complete construction — Summer 2007

4. SMART Corridors Operations and Management
   - Concept for funding ongoing O&M Costs — Spring 2005
   - Commitments for FY 2006-7 O&M Costs — Winter 2006
   - Initial field maintenance contract — Spring 2006
   - Commitments for FY 2007-8 O&M Costs — 3rd Quarter
   - Second year field maintenance contract — 4th Quarter
   - Operations, maintenance and management — Ongoing
   - Strategy for capital investment to reduce O&M costs — 1st Quarter

5. I-880 North Safety Improvements - Fruitvale Area Improvements (RM 2 funded)
   - Environmental document/PSR/PR — 3rd Quarter
   - Begin Design — 3rd Quarter
   - Complete design — Summer 2008

6. I-580 Soundwalls
   - Oakland soundwall (14th and Ardley)
     - > Begin Design — Spring 2006
     - > Complete design — 4th Quarter
     - > Start Construction (pending funding) — tbd
   - San Leandro soundwall (Estudillo to 141st)
     - > Begin Design — Spring 2006
     - > Complete design — 4th Quarter
     - > Award Construction contract (funds programmed in FY 2007-8) — Fall 2007

7. Ardenwood Park & Ride Lot (RM 2 funded)
   - Complete PS&E — Spring 2006
   - Start Construction — 1st Quarter
   - Complete construction — 2nd Quarter

8. Dumbarton Bridge Approach HOV Lane Extension (RM 2 funded)
   - Complete PS&E — 1st Quarter
   - Start Construction — 2nd Quarter
   - Complete construction — Fall 2006

9. I-680/I-880 Cross Connector (Measure B funded)
   - Begin Project Study Report (PSR) — Spring 2006
   - Draft PSR — 4th Quarter
   - Final PSR — Summer 2007

10. I-580 Tri Valley Transportation Management Plan (TMP) – strategies for handling impacts during construction (TCRP and RM 2 funded)
    - Award construction contract — 1st Quarter
    - Complete construction — 4th Quarter

11. I-580 Tri Valley Eastbound Interim HOV Lane (TCRP and RM 2 funded)
    - Environmental document complete — 1st Quarter
    - Plans, Specifications & Estimates complete — 2nd Quarter
    - Advertise construction contract — 3rd Quarter
    - Start construction — 4th Quarter
    - Complete construction — Spring 2009

12. I-580 Tri Valley Right of Way Protection for BART (TCRP and RM 2 funded)
    - Begin environmental documentation — 1st Quarter
    - Final Environmental Document — Fall 2007
    - Begin right of way acquisition — 2008
    - Complete right of way acquisition — 2009

13. I-580/I-680 Connector (RM 2 funded)
    - Begin Project Study Report (PSR) – in cooperation with Caltrans — Fall 2005
    - Complete PSR — 3rd Quarter
    - Initiate Environmental Document — tbd
    - Final Environmental Document — tbd

14. I-580 Tri Valley Corridor Improvements (Westbound HOV, EB ultimate, etc. -- RM 2 funded)
    - Begin environmental documentation — 4th Quarter
    - Complete environmental documentation — 2009

15. I-580 High Occupancy Toll Lane (Livermore Valley)	
• Begin supplemental PSR including public outreach	April 2006
• Complete HOT lane PSR	4th Quarter
16. I-680 HOV Lane Project (costs reimbursed though grants – STIP, federal and CMA TIP) – STIP funding availability could impact schedule for this project	
• Southbound Project	
> HOV Lane design complete (by Caltrans)	FY 2006-07
> Start construction	Winter 2007
> Construction Complete	2009
• Northbound Project	
> Environmental Documentation (by Caltrans)	Fall 2005
> Implementation Strategy	tbd
> Begin Construction	tbd
> Construction Complete	tbd
17. I-680 SMART Carpool Lane Demonstration Project (Measure B, federal grant, and CMA TIP) – schedule depends of availability of STIP funding for underlying carpool lane project	
• Plans, Specifications and Estimates (PS&E)	
> PS&E to Caltrans	2nd Quarter
> Right of way certification	3rd Quarter
> Ready to list for construction	4th Quarter
> Begin construction	Winter 2007
> Complete construction	Winter 2009
• Electronic Toll System	
> Project development plan	3rd Quarter
> Software design, equipment procurement and installation	
-- Begin work	4th Quarter
-- Complete design, procurement and installation	Fall 2009
> First year maintenance of hardware and software	2010
• Outreach and Marketing	
> Stakeholders interviews and public opinion poll	1st Quarter
> Meetings with stakeholders task force	Ongoing
> Develop and implement marketing program	Winter 2008
18. Dynamic Ridesharing Pilot Program (Federal grant)	
• Complete pilot program	June 2006
• Final Report	1st Quarter
• Next steps	tbd
19. TravelChoice Program (TFCA and CMA funded)	
• Begin pilot	January 2006
• Complete pilot program and final report	October 2007

20. Altamont Commuter Express (Measure B) — Ongoing
- Staff support and administration

ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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Agenda Item 5.1
January 9, 2006

DATE: January 9, 2006

TO: Administration and Legislative Committee

FROM: Diane Stark, Sr. Transportation Planner

SUBJECT: Community Based Transportation Plan

Action Requested:
It is recommended that the Board authorize the Executive Director: (1) to sign a fund transfer agreement with MTC for the East Oakland and Berkeley community based transportation plans in the amount of $120,000; and (2) to sign contracts with the selected consultant(s) in an amount not to exceed $120,000 ($60,000 per plan). These two plans will complete the community-based transportation planning activity identified by MTC.

Next Steps
The plans are expected to begin spring 2006 and be complete winter 2006.

Discussion:
MTC has selected four areas in Alameda County that qualify for Community Based Transportation Plans (CBTP). The first Alameda County CBTP was prepared by CMA in 2004 for Central Alameda County, which included the Cherryland/Ashland portion of unincorporated Hayward and south Hayward. The West Oakland CBTP has been initiated and is expected to be complete in spring 2006. MTC has also approved funding for CBTPs in West Berkeley/South Berkeley and East Oakland.

The locations of the plans are based on MTC's *Lifeline Transportation Study* (2001) and the *Environmental Justice Report (2001)*, which identified low income areas throughout the Bay Area in which there were gaps in provision of transportation services.

A Request for Qualifications was issued in April 2005. Qualified consultants have been identified and are able to begin work immediately. The CMA staff will lead the efforts for East Oakland and Berkeley staff will manage the West Berkeley/South Berkeley plan.

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ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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Agenda Item 5.2
January 9, 2006

Memorandum

DATE: January 2, 2006

TO: Administration and Legislation Committee

CM

FROM: Cyrus Minoofar, Principal Transportation Engineer

SUBJECT: International/Telegraph Rapid Bus Project: Construction Project Status Report

Action Requested:
The CMA's adopted Construction Administration Guide requires that a quarterly construction status report be provided to the Administration and Legislation Committee. Attached is the Construction Contract Progress Report for activities through December 31, 2005.

Discussion:

The Alameda County CMA, in association with AC Transit, has secured a total of \$20,212,079 in Measure B, Regional Measure 2, Federal, TFCA, and STIP funds to plan, design and deploy the E. 14th Street/International Blvd/Telegraph Avenue Rapid Bus program. The project extends from Bayfair Center to the University of California at Berkeley Campus.

The CMA's adopted Construction Administration Guide requires that a quarterly construction status report be provided to the Administration and Legislation Committee. Attached is the Construction Contract Progress Report for activities through December 31, 2005.

CMA staff will provide a brief verbal presentation at the meeting.

INTERNATIONAL/TELEGRAPH RAPID BUS PROJECT

Construction Status Report
for
October 1, 2005 through December 31, 3005

PROJECT DESCRIPTION

The International/Telegraph Rapid Bus Corridor project consists of three major arterial corridors in East Bay portion of San Francisco Bay Area: the East 14th – International Boulevard corridor, extending from Bayfair Center in San Leandro to 12th Street/Broadway in Oakland; the Broadway corridor, extending from 3rd Street to 20th Street in Oakland; and the Telegraph Avenue corridor, extending from 20th Street in Oakland to the campus of the University of California at Berkeley. The three corridors are critical AC Transit routes traveling through areas of high-density housing, with high-volume pedestrian and vehicular traffic present.

The purpose of the project is to implement an integrated, multi-modal advanced transportation management system similar to the SMART Corridors program and to deliver the Transit Signal Priority elements along these corridors by June 26, 2006. The AC Transit Rapid Bus program and the CMA East Bay SMART Corridors program have evolved into a multi-year, multi-phase program, implementing several major infrastructure improvements in the corridors, and have contributed to forming and strengthening interagency coordination and cooperation.

Project Elements

The International/Telegraph Rapid Bus Corridor project deploys a variety of civil, traffic, and Intelligent Transportation System (ITS) elements that would collectively improve the operation and safety of the arterial and the Rapid Bus corridors. Such improvements include:

1. Emergency Vehicle Pre-emption (EVP) and Transit Signal Priority (TSP) functions provide for the safe and fast passage of emergency vehicles as well as extending preferential treatment to the Rapid Buses at signalized intersections. These systems are implemented through the deployment of infrared detector and emitter modules.
2. Video Image Detection (VID) will detect vehicles at each leg of an intersection using fixed video cameras and associated image analysis software. This technology replaces inductive loops cut into the street surface which are impacted by pavement conditions.
3. Closed Circuit Television (CCTV) cameras will allow remote monitoring of conditions at an intersection by local agencies and the traveling public using video cameras connected to the Internet.
4. Microwave Vehicle Detection Systems (MVDS) will provide continuous information on the volume, speed and type of traffic moving through the corridor.
5. Traffic signal modifications including pedestrian push-buttons, pedestrian traffic signal heads, traffic signal interconnection, traffic signal cabinet and controllers upgrades.
6. Various construction elements including curb ramps, sidewalk and bus stops modifications at various locations of the projects.

SUMMARY STATUS

Construction work is continuing in earnest. The International/Telegraph Rapid Bus project consists of five construction contracts. One has been completed and three are underway and the last is in the advertisement and bidding process, as discussed below.

The construction is proceeding well on all contracts with no major cost issues encountered to date. However, there is one schedule issue that has surfaced. As stated above, the goal is to have all of the Transit Signal Priority (TSP) elements of the project completed by June 26, 2006 for the start of the Rapid Bus Service. Rosendin Electric and Steiny and Company, the respective contractors for the E. 14th/international Blvd. and the Telegraph projects have raised a concern regarding the impact of weather days on the milestone of June 26, 2006. The construction management team is exploring contingency plans with the contractors to mitigate possible impacts of weather days on the TSP milestone date.

CONTRACT AND CONSTRUCTION STATUS

<u>The 34th Avenue Bus Stops Modifications (Contractor: SIMCO Construction, Inc., of Oakland)</u>

- Contract Status: The contract started on June 1, 2005, and was completed within budget on July 3, 2005, for the total cost of $97,986. The completion of this fast tracked contract facilitated the preliminary service of the International/Telegraph Rapid Bus by AC Transit, which provided for AC Transit's access to RM2 O&M funds through MTC.
- Construction Status: Completed, on time and on budget

<u>Broadway (Contractor: Ray's Electric, Inc. of Oakland)</u>

- Contract Status: The contract was awarded on July 28, 2005 by CMA in the amount of $590,170 (Base + Additives=$331,980 + $258,190). However, at this time only the base contract amount is authorized (see page 4). Any additives already authorized by the CMA Board would only be added when all construction contracts are awarded within the total program budget. The contractor started the construction activities on September 2, 2005, and has completed approximately 80 percent of the contract.
- Construction Status: Ray's Electric, the contractor has substantially completed the base bid work and is currently working on additive items, contract change order work and punchlist items.

<u>Telegraph (Contractor: Steiny and Co, Inc. of Vallejo)</u>

- Contract Status: The contract was awarded on July 28, 2005 by CMA in the amount of $3,680,353 (Base + Additives=$3,361,154 + $319,199). However, at this time only the base contract amount is authorized (see page 4). Any additives already authorized by the CMA Board would only be added when all construction contracts are awarded within the total program budget. The contractor started the construction activities on September 2, 2005, and has completed also approximately 35 percent of the contract.
- Construction Status; Steiny and Company, the contractor has multiple crews installing conduits, service and controller cabinets, and emergency vehicle pre-emption systems, between 20th Street in the City of Oakland, and Dwight St. in the City of Berkeley.

East 14th – International Blvd. (Contractor: Rosendin Electric, Inc. of San Jose)

- Contract Status: The contract was awarded on September 22, 2005 in the amount of $4,011,730.00 (Base + Additives=$3,835,038 + $176,692). However, at this time only the base contract amount is authorized (see page 4). Any additives already authorized by the CMA Board would only be added when all construction contracts are awarded within the total program budget. The contractor started construction on November 3, 2005, and has completed also approximately 20 percent of the contract.
- Construction Status: Rosendin Electric, the contractor, also has multiple crews installing conduits and emergency vehicle pre-emption systems, potholing and trenching between 98th Street in the City of San Leandro, and 34th Avenue in the City of Oakland

The Uptown Transit Center (Contractor: TBD)

- Contract Status: This project is an add-on to the International/Telegraph Rapid Bus corridor project. This project has been advertised and bid opening is slated for January 19, 2006.

Financial Status

This section of the report includes a review of the project construction budget as well as a review and overall status of Contract Change Orders (CCOs).

Budget and Expenditure Summary

The project and construction contracts are within budget. Contract change orders have been issued to address differing site conditions and remove and avoid sub-surface structures and basement frontages that have been encountered during construction. Based on field investigations to date, it is anticipated that contract change order costs will increase especially on the Broadway project where differing site conditions are more prevalent. Currently, as shown in the tables below, the projects have sufficient contingency funds for these contract change orders.

Project No. 05-05 - 34th Avenue Bus Stops Modifications

Construction Bid Price (SIMCO): **$88,500.00**
Contingency: **$8,850.00**
Total Construction Cost: ***Actual*:** **$97,986.00**

CCO No.	DESCRIPTION	Payment Method	Time	Amount	Paid to date	Contract Contingency Remaining
1	Concrete Subbase in lieu of Asphalt Concrete	LS	0	$6,714.00	$6,714.00	0
2	Various Items Overruns/Underruns	Items	0	$2,672.00	$2,672.00	0

Project No. 02-05 - Broadway

Construction Bid Price (RAY'S E LECTRIC): **$331,980.00**
Contingency: **$59,017.00**
Total Construction Budget: **$390,997.00**

CCO No.	DESCRIPTION	Payment Method	Time	Amount	Paid to date	Contract Contingency Remaining
1	Perform Miscellaneous Work	FA	0	$10,000.00	$8,000.00	$49,017.00
2	Investigate and Restore Nextbus Signs	FA	0	$9,151.00	$9,000.00	$39,866.00

Project No. 03-05 - Telegraph

Construction Bid Price (STEINY): **$3,361,154.00**
Contingency: **$368,035.30**
Total Construction Budget: **$3,729,189.30**

CCO No.	DESCRIPTION	Payment Method	Time	Amount	Paid to date	Contract Contingency Remaining
1	Perform Miscellaneous Work	FA	0	$20,000.00	$0.00	$348,035.30

Project No. 04-05 - E14th - International

Construction Bid Price (ROSENDIN): **$4,011,730.00**
Contingency: **$401,173.00**
Total Construction Budget: **$4,412,903.00**

CCO No.	DESCRIPTION	Payment Method	Time	Amount	Paid to date	Contract Contingency Remaining
						$401,173.00

Schedule Status

When preparing project plans, the design engineer includes a specification that informs the contractor how long he has to perform the work. This information is provided in the form of Working days, which typically include only regular business days, or Calendar days, which do not include Saturday and Sunday. Days when weather conditions prevent work are not counted in the totals in the Working days format. Presented in the table below is a status of the construction contracts in terms of Working/Calendar Days completed as well as the number remaining.

Project	34th Bus Stop Modifications	Broadway	Telegraph	East 14th - International
Original Number of Working Days	20	90	210	210
First Working Day	6/13/2005	9/2/2005	9/2/2005	11/3/2005
Weather Day Delays to Date	0	2	2	5
Contract Change Order Days	0	0	0	0
Number of Working Days Charged to Date	20	71	71	28
Contract Time Completed to Date	100%	79%	33%	13%
Revised Completion Date Based on Weather Days	7/3/2005	1/20/2006	7/15/2006	9/13/2006
Work Complete as of Billing to Date	100%	80%	35%	20%

Outstanding Issues/Disputes/Claims

At this stage of construction, most issues have been resolved or are being discussed with the contractors to find a resolution. One of the issues that Rosendin Electric and Steiny and Company, the respective contractors for the E. 14th/international Blvd. and the Telegraph projects have raised is the impact of weather days on the milestone of June 26, 2006, for the completion of Transit Signal Priority (TSP) elements of the projects required for the start of the Rapid Bus service. The construction management team is exploring contingency plans with the contractors to mitigate possible impacts of weather days on the TSP milestone.

ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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January 9, 2006
Agenda Item 5.3

MEMORANDUM

Date: January 2, 2006

To: Administration and Legislation Committee

From: Saravana Suthanthira, Associate Transportation Planner

Subject: 2006 LOS Monitoring Data Collection and Data Entry

Action Requested
It is recommended that the CMA Board authorize the Executive Director to execute an agreement with the selected consultant to perform traffic data collection and entry for the 2006 Level of Service (LOS) Monitoring Study in an amount not to exceed $55,000. LOS Monitoring is performed on the CMP roadways of the county biennially. The Request for Proposals was issued on December 15, 2005 and a consultant is expected to be selected in the second week of February 2006.

Discussion
Level of Service on the CMP roadways of the county is monitored biennially. Staff was directed to monitor both the afternoon and morning peak periods as part of the adoption of the 2005 Congestion Management Program. The budget this year reflects the additional work. The data for the morning peak will be used for informational purposes only, not for CMP conformity. The consultant services will include traffic data collection and entry. Staff will analyze the data and calculating level of service.

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Lynn M. Suter
and Associates
Government Relations

December 29, 2005

TO: Dennis Fay, Executive Director
Alameda County Congestion Management Agency

FR: Lynn M. Suter & Associates

RE: Legislative Update

Thinking Bigger: Beating the Governor to the punch on a mega-bond, the California Alliance for Jobs unveiled their infrastructure bond proposal. The Alliance outlined a bond proposal ranging from $30-$40 billion for transportation projects, goods movement, flood protection and water delivery projects. To pay for these bonds, the Alliance proposes a 1/4-cent increase in the sales tax. Recent polling shows that voter support for a sales tax increase for transportation is the high 50's, and support for bonds alone reaches into the 80's. The proposal would also rely on user fees and tolls to finance certain projects. The proposal would also "fix" Prop 42 by either eliminating the ability to suspend the transfer of funds or by placing additional barriers between the legislature and Prop 42 funds.

Prop 42 Funding: Although revenues are up, there remain significant demands for additional funding in the 2006-07 fiscal year. To keep the pressure on the Governor and the Legislature to fund Prop 42, the Save Proposition 42 Coalition has sent a letter to the Governor urging him not to suspend Prop 42. With traffic congestion remaining one of the highest ranking concerns for Californians, the Coalition is hopeful the Governor will not propose suspending Pro 42 when he releases his budget in a couple weeks. Unfortunately, delinquent Prop 98 obligations, years of funding cuts to social service programs, the court's rejection of pension obligation bonds, and addressing the on going structural imbalance will keep Prop 42 funds on the table as a source to bridge any gap.

Legislation

The Legislature will hit the ground running next week. The second half of this two-year session begins on January 4. There remain numerous "two-year" bills that must be approved by the house of origin before the end of the month. The following is an overview of transportation related two-year bills. However, if these bills are moved forward it is likely that the content will change significantly. If you have any questions or need additional information about any of the bills listed below, please contact our office.

1127-11th Street, Suite 512 Sacramento, CA 95814 Telephone 916/442-0412 Facsimile 916/444-0383
Internet: www.lmsa.com email: lmsa@lmsa.com

Bill	Topic	Status	Position
AB 189 (Horton, Shirley) A-04/11/2005	Highway capacity enhancement demonstration projects: coordinated environmental process.	Two-Year Bill Assembly Appropriations – Suspense File	Watch
	Existing law sets forth the responsibilities of the Department of Transportation with respect to highways. This bill, until January 1, 2010, would establish a coordinated environmental review process for 3 highway capacity enhancement demonstration projects. The bill would require the projects to be identified by the department, and selected by the California Transportation Commission, in accordance with specified criteria and would require that a consolidated environmental permit be issued for each project. The bill would require the project sponsor to seek and invite participation by applicable agencies. The bill would require the department to provide staff support for the demonstration projects to the extent funds are specifically appropriated for this purpose.		
AB 209 (Plescia) I-01/31/2005	Transportation systems: alternative financing methods.	Two-Year Bill Assembly Transportation	Watch
	Existing law, the San Diego County Regional Transportation Commission Act, creates the San Diego County Regional Transportation Commission that is authorized, upon approval of the voters, to impose an ordinance levying a retail transaction and use tax for transportation purposes. The Legislature has made certain findings under this act regarding the commission's functions. This bill would make nonsubstantive changes to these findings.		
AB 345 (La Malfa) A-03/31/2005	Infrastructure financing.	Two-Year Bill Assembly Transportation	Watch
	Existing law authorizes local government agencies, individually or in combination, to utilize private sector investment capital to fund infrastructure improvements by making agreements with private entities pursuant to specified procedures and conditions. Under this authority the government agency may use these private funds as the exclusive revenue source or as a supplemental revenue source with federal or local funds. This bill would extend this authority to state agencies, state that the supplemental revenue source may also be state funds, and expressly state that the local agencies may use, but are not limited to, financing pursuant to the Revenue Bond Law of 1941.		

AB 426 (Bogh) A-04/20/2005	HOV lanes.	Two-Year Bill Assembly Appropriations – Suspense File	Watch
	Existing law authorizes the Department of Transportation or local agencies with respect to highways under their respective jurisdictions to designate certain lanes for exclusive use by high-occupancy vehicles (HOVs). This bill, until January 1, 2009, would require the department to convert all HOV lanes on state highways in the County of Riverside that currently operate on a 24-hour basis into part-time HOV lanes that operate as mixed-flow lanes except during peak periods, subject to any required approvals of the federal government.		
AB 540 (Liu) I-02/16/2005	State highway projects.	Two-Year Bill Assembly Transportation	Watch
	Existing law gives the Department of Transportation full possession and control of state highways and associated property. Existing law establishes a process for constructing improvements to the state highway system, including a requirement for freeway agreements with affected local governments. This bill would require the department, prior to finalizing design and commencing construction on a state highway project, including a project not requiring preparation of full-scale environmental documents, to first meet and confer with the governing body of the affected city or county, and to thereafter hold at least one public meeting at a time and place that is convenient for the affected community. Following the consultation and public hearing, the bill would provide that the department, to the maximum extent possible, modify the project as necessary to address local concerns.		
AB 697 (Oropeza) I-02/17/2005	Highway Users Tax Account: appropriation of funds.	Two-Year Bill Assembly Appropriations – Suspense File	Support
	Article XIX of the California Constitution requires revenues from state excise taxes on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the cost of collection and any refunds authorized by law, to be used for various street and highway purposes and for certain mass transit guideway purposes. Existing law requires state excise fuel tax revenues to be deposited in various accounts and to be allocated, in part, for various purposes, including the cost of collection and authorized refunds. Existing law requires the balance of these funds remaining after authorized deductions to be transferred to and deposited monthly in the Highway Users Tax Account in the Transportation Tax Fund. Existing law provides for formula apportionment of specified revenues in the Highway Users Tax Account		

	to cities and counties for the transportation purposes authorized by Article XIX of the California Constitution, and generally requires the remaining revenues to be transferred to and deposited in the State Highway Account in the State Transportation Fund. Existing law provides that the money in the Highway Users Tax Account is appropriated for the above-described transportation purposes, but also generally provides that the money in the State Highway Account may not be expended until appropriated by the Legislature. This bill, in any year in which the Budget Act has not been enacted by July 1, would provide that all moneys in the Highway Users Tax Account in the Transportation Tax Fund from the prior fiscal year are continuously appropriated and may be encumbered for certain purposes until the Budget Act is enacted. The bill would thereby make an appropriation. The bill would authorize the Controller to make estimates in order to implement these provisions. This bill contains other related provisions.		
AB 713 (Torrico) I-02/17/2005	Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.	Two-Year Bill Senate Transportation	Watch
	Existing law provides for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 7, 2006, general election. Subject to voter approval, the act would provide for the issuance of $9.95 billion of general obligation bonds, $9 billion of which would be available in conjunction with any available federal funds for planning and construction of a high-speed train system pursuant to the business plan of the High-Speed Rail Authority, and $950 million of which would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines. This bill would instead provide for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 4, 2008, general election. The bill would make other related changes.		
AB 850 (Canciamilla) A-05/03/2005	Toll road agreements.	Two-Year Bill Assembly Appropriations – Suspense File	Support and Seek Amendments
	Existing law, until January 1, 2003, authorized the Department of Transportation to solicit proposals and enter into agreements with private entities or consortia for the construction and lease of no more than 2 toll road projects, and specified the terms and requirements applicable to those projects. Existing law authorizes the department to construct high-occupancy vehicle and other preferential lanes. This bill would instead authorize the department to enter into comprehensive development franchise agreements with public and private entities or consortia for specified types of transportation projects, as defined, subject to certain requirements and conditions. The bill would authorize tolls to be		

	collected after the termination of a franchise agreement period, subject to approval of the California Transportation Commission. The bill would require a franchise agreement to allow the department to open a competitive state facility in the same corridor. The bill would authorize the department to construct and operate high-occupancy vehicle and other preferential lanes as toll facilities. The bill would enact other related provisions.		
AB 1157 (Frommer) A-04/11/2005	State highways: performance measures.	Two-Year Bill Senate Transportation	Watch
	Existing law gives the Department of Transportation full possession and control of the state highways. Existing law requires the department to prepare a state highway operation and protection program for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system. This bill would require the department to develop specified performance measures to establish an evaluation and rating of the overall quality of the state highway system, and would require an annual report to the Legislature in that regard.		
AB 1266 (Niello) A-05/04/2005	State highways: design-sequencing contracts.	Two-Year Bill Assembly Appropriations – Suspense File	Watch
	Existing law authorizes the Department of Transportation, until January 1, 2010, to conduct a pilot project to award design-sequencing contracts, as defined, for the design and construction of not more than 12 transportation projects, to be selected by the Director of Transportation. This bill would additionally authorize the department, until January 1, 2012, to award design- sequencing contracts for the design and construction of not more than 4 additional transportation projects, to be selected by the director. The bill would extend other provisions relating to the pilot project to January 1, 2012.		
AB 1498 (Hancock) I-02/22/2005	Streets and highways.	Two-Year Bill Assembly Transportation	Watch
	Under existing law, the California Transportation Commission is authorized to alter or change the location of a state highway subject to specified requirements. This bill would make nonsubstantive changes to these provisions.		

AB 1699 (Frommer) A-05/27/2005	Transportation: highway construction contracts: design-build projects.	Two-Year Bill Senate Transportation	Watch
	Existing law sets forth requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement. Existing law also authorizes specified state agencies, cities, and counties to implement alternative procedures for the awarding of contracts on a design-build basis. This bill would authorize, until January 1, 2015, transportation agencies administering local voter-approved transportation sales tax measures to use a specified design-build process for bidding on a maximum of 8 state highway construction projects with a total cost of $10,000,000 or more, as specified, with the projects to be selected by the California Transportation Commission. This bill contains other related provisions and other existing laws.		
AB 1702 (Frommer) A-04/07/2005	State finances: economic recovery and transportation.	Two-Year Bill Assembly Appropriations – Suspense File	Watch
	The Economic Recovery Bond Act authorizes the issuance of bonds in an amount not to exceed $15,000,000,000 pursuant to the State General Obligation Bond Law, for purposes of financing the accumulated state budget deficit, as defined. "Accumulated state budget deficit" means the aggregate of the estimated negative balance of the Special Fund for Economic Uncertainties arising on or before June 30, 2004, with specified exceptions and other General Fund obligations incurred by the state prior to June 30, 2004, to the extent not included in the negative balance. Existing law requires that except for amounts necessary to pay costs of issuance, administrative costs, any other costs payable in connection with the bonds, to retire or refund the bonds sold, the balance is to be transferred to the General Fund. This bill would appropriate from the General Fund, from the amount transferred to that fund from the Economic Recovery Fund, $500,000,000 to the Controller for deposit in the Traffic Congestion Relief Fund for the purpose of funding or reimbursing the cost of transportation projects, programs, and activities for encumbrance without regard to fiscal years, except as otherwise specified, with the funds to be allocated (a) $250,000,000 for transfer to the State Highway Account for project expenditures, and (b) $250,000,000 for Traffic Congestion Relief Program projects. This bill contains other related provisions and other existing laws.		

ACA 7 (Nation) I-12/06/2004	Local governmental taxation: special taxes: voter approval.	Two-Year Bill Assembly Appropriations – Suspense File	Watch
	The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities. This measure would change the 2/3 voter-approval requirement for special taxes to instead authorize a city, county, or special district to impose a special tax with the approval of 55% of its voters voting on the tax. This measure would also make technical, nonsubstantive changes to these provisions.		
ACA 10 (Nunez) I-02/15/2005	Transportation Investment Fund.	Two-Year Bill	Watch
	Article XIX B of the California Constitution requires, commencing with the 2003-04 fiscal year, sales taxes on motor vehicle fuel that are deposited in the General Fund to be transferred to the Transportation Investment Fund for allocation to various transportation purposes. Article XIX B authorizes the transfer of these revenues to the Transportation Investment Fund to be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation issued by the Governor and the enactment of a statute by a 2/3 vote of each house of the Legislature if the statute does not contain any unrelated provision. This measure would make a nonsubstantive change to these provisions.		
SB 208 (Alquist) A-05/31/2005	Transportation projects: electronic fund transfers.	Two-Year Bill Assembly Transportation	Watch
	Existing law authorizes regional or local agencies to spend their own funds on certain regional or local transportation projects included in the State Transportation Improvement Program. Existing law provides for reimbursement of those agencies by the state when the California Transportation Commission allocates funds to the project, subject to certain financial controls. Existing law requires the Department of Transportation to implement systems that allow rapid access to funds made available under executed agreements to transfer funds to those agencies, and requires the Controller to develop a system that provides access to those funds by electronic transfer. This bill would require the Controller to develop the electronic fund access system in cooperation with the department. The bill would require the department, until January 1, 2010, to carry out a pilot program to transfer funds to the Santa Clara Valley Transportation Authority within 10 calendar days of receipt of an invoice for project expenses incurred by the authority under an executed		

	agreement. The bill would require the department to audit the authority's project expenses and would require the authority to reimburse any expenditure the department's audit deemed ineligible. The bill would require the department, in consultation with the Controller and the authority, to report to the Legislature on or before January 1, 2009.		
SB 371 (Torlakson) A-04/26/2005	Public contracts: design-build contracting: transportation entities.	Two-Year Bill Senate Appropriations – Suspense File	Watch
	Existing law sets forth requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement. Existing law also authorizes specified state agencies, cities, and counties to implement alternative procedures for the awarding of contracts on a design-build basis. Existing law, until January 1, 2007, authorizes transit operators to enter into a design-build contract, as defined, according to specified procedures. This bill would authorize, until January 1, 2011, certain state and local transportation entities to use a design-build process for bidding on highway construction projects, as specified. This bill would establish a procedure for submitting bids that includes a requirement that design-build entity bidders provide certain information in a questionnaire submitted to the transportation entity that is verified under oath. Because verification under oath is made under penalty of perjury, the bill would, by requiring verification, create a new crime and thereby impose a state-mandated local program. The bill would require these transportation entities to report to the Legislature regarding implementation of the design-build process. This bill would also state the intent of the Legislature that a transportation entity implement a labor compliance program for design-build projects. This bill contains other related provisions and other existing laws.		
SB 427 (Hollingsworth) A-04/25/2005	California Environmental Quality Act: exemption: CAL-TRANS: right-of-ways.	Two-Year Bill Senate Environmental Quality	Watch
	(1) The existing California Environmental Quality Act requires a lead agency to prepare an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, as defined, unless the project is exempt from the act. This bill would exempt from those CEQA requirements the expansion of an existing overpass, onramp, or offramp that is built on an easement or right-of-way under the control of a state or local transportation agency, or a city, county, or city and county. By imposing new duties on local governments with respect to determining whether that exemption is applicable to specified highway expansion projects, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.		

SB 519 (McClintock) A-04/07/2005	Highways: exclusive-use or preferential-use lanes.	Two-Year Bill Senate Appropriations – Suspense File	Watch
	Existing law requires, prior to establishing exclusive-use or preferential-use traffic lanes for high-occupancy vehicles (HOV lanes), that the Department of Transportation and local authorities, with respect to highways under their respective jurisdictions, make competent engineering estimates of the effect of the lanes on safety, congestion, and highway capacity. This bill would request the University of California, on or before January 1, 2007, to conduct a study, in consultation with the Department of Transportation, to evaluate the effectiveness of use of different types of highway lanes. This bill contains other related provisions.		
SB 521 (Torlakson) A-09/02/2005	Local planning: transit village plans.	Two-Year Bill Assembly Housing & Assembly Local Government	Watch
	The Transit Village Development Planning Act of 1994 authorizes a city or county to prepare a transit village plan for a transit village development district that includes all land within not more than 1/4 mile of the exterior boundary of the parcel on which is located a transit station, as defined, and addresses specified characteristics, including a neighborhood centered around a transit station and a mix of housing types, including apartments, that is planned and designed, as specified, and any 5 of demonstrable public benefits that reduce traffic congestion. This bill would require a transit village plan to include a transit station and a parcel, at least 1/2 of which is within not more than 1/4 mile of the exterior boundary of the parcel on which the transit station is located or parcels located in an area equal to the area encompassed by a 1/4 mile radius from the exterior boundary of the parcel on which the station is located. This bill contains other related provisions and other existing laws.		
SB 705 (Runner) I-02/22/2005	Design-build contracts.	Two-Year Bill Senate Transportation	Watch
	Existing law makes the Department of Transportation responsible for improving and maintaining the state highway system. Under existing law, until January 1, 2010, the department is authorized to utilize design-sequencing as an alternative contracting method for the design and construction of not more than 12 transportation projects, as defined. This bill would authorize the department to contract using the design-build process, as defined, for the design and construction of transportation projects. The bill would require the director of the department to		

	establish a prequalification and selection process. Because the bill would make it a crime for a person to certify as true any fact on the declaration known by him or her to be false, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.		
SB 948 (Murray) I-02/22/2005	CEQA: environmental impact reports: short form.	Two-Year Bill Senate Environmental Quality	Watch
	The existing California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. CEQA provides an exemption for specified types of projects, including, among other things, ministerial projects proposed to be carried out or approved by public agencies, emergency repairs to public service facilities necessary to maintain service, projects undertaken, carried out, or approved by a public agency to maintain, repair, restore, demolish, or replace certain facilities damaged or destroyed as a result of a natural disaster, and certain actions necessary to prevent or mitigate an emergency. This bill would require a lead agency to prepare a short form environmental impact report for a project subject to CEQA if the lead agency has determined that the project meets specified criteria, including that the project consists of a residential development combined with one or more qualified urban uses, as defined, is located within the boundaries of an incorporated city or within an unincorporated area designated in an approved local general plan for residential development, and is consistent with specified land use requirements, as provided. The bill would require that a short form environmental impact report include specified information, and comply with specified procedural requirements of CEQA for an environmental impact report, except as provided. By imposing new duties on local agencies with respect to determining whether requirements for a short form environmental impact report apply to specific projects, the bill would impose a state-mandated local program. This bill contains other existing laws.		
SB 1020 (Migden) I-02/22/2005	County sales and use taxes: rate increase	Two-Year Bill Senate Revenue & Taxation	Watch
	The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns Law) authorizes a county and a city and county to impose a local sales and use tax, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales tax rate that is credited against the county rate. Existing law requires a city, county, or city and county imposing a local sales and use tax pursuant to the Bradley-Burns Law to contract with the State Board of Equalization to administer the		

	local sales and use tax. Existing law authorizes a county or city and county to contract with the State Board of Equalization to establish a local transportation fund in the county treasury for the deposit of 1/4 of 1% of the revenues collected for the county or city and county under the Bradley-Burns Law for specified transportation purposes. This bill would authorize a county or city and county to impose an additional 1/4 of 1% sales and use tax rate under the Bradley-Burns Law. This bill would require a county or city and county that imposes this additional rate to deposit all revenues derived therefrom, less specified administrative costs, into a local transportation fund, as specified. This bill would also require a county or a city and county that imposes this additional tax to comply with the applicable voter-approval requirements of a specified provision of the California Constitution.		
SB 1024 (Perata) A-09/08/2005	Public works and improvements: bond measure.	Two-Year Bill Senate Floor – Third Reading File	Support In Concept
	Existing law provides various funding sources for transportation purposes. This bill would enact the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005 to authorize $10,275,000,000 in state general obligation bonds for specified purposes, including the state transportation improvement program, passenger rail improvements, levee improvements, flood control, restoration of Proposition 42 transportation funds, port infrastructure and security projects, trade corridors of significance, emissions reduction projects, environmental enhancement projects, transit-oriented development, transportation needs in cities, counties, and cities and counties that meet certain requirements relative to provisions of housing needs in their communities, and housing, regional growth, and infill development purposes, subject to voter approval. This bill contains other related provisions.		

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Copeland Lowery Jacquez Denton & White LLC

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MEMORANDUM

TO: **Dennis Fay, Jean Hart and Frank Furger**
ACCMA

FROM: **Jim Copeland & Emily Bacque**
Copeland Lowery Jacquez Denton & White

RE: Washington, D.C. Update

DATE: **December 30, 2005**

Congress finished work for the year on Thursday December 22nd. The final weeks of 2005 were extremely contentious and busy on Capitol Hill. The House finalized business late on Thursday December 22nd and went out of session with the expectation they would not return until January 31, 2006. The Senate voted until late in the evening of December 21st and plans to return on January 18th to take up the Supreme Court nomination of Judge Samuel A. Alito Jr. President Bush will give the State of the Union address on the night of January 31st. The FY07 appropriations process will begin shortly after Congress returns after the first of the year.

FY06 Appropriations Overview

Both the House and Senate were able to pass the FY06 Transportation Treasury HUD appropriations bill before they recessed for Thanksgiving break. Congress did not take up any other transportation-related bills between the Thanksgiving recess and the end of the first session of the 109th Congress.

When the House and Senate returned from the Thanksgiving recess, there were two remaining appropriations bills to pass: Labor-HHS-Education and Defense. Both bills were very controversial: Labor-HHS because of a lack of overall funding and Defense because of the detainee provision as well as an unrelated provision that would have allowed drilling in the Arctic National Wildlife Refuge (ANWR).

In addition, the House and Senate approved a 1 percent across-the-board cut to all discretionary programs except for veterans' programs and emergency spending. This cut applies to transportation programs as well.

FY06 Transportation Appropriations

The Transportation/Treasury/HUD Appropriations conferees finalized their conference report in the early hours of November 18. The bill totals $137.6 billion and funds transportation, housing programs, aid to the District of Colombia and a range of government operations. The House and Senate passed the report on November 18, and sent the bill to the president. President Bush signed the bill into law on November 30.

The agreement provides $60.7 billion for the Transportation Department and its agencies -- $954 million (2%) more than current funding, and $2.4 billion (4%) more than requested by the administration. The total includes $12.2 billion in discretionary appropriations, $1.5 billion (11%) less than current funding, but $316 million (3%) more than requested. The funding levels provided by the measure are consistent with the surface transportation authorization act (SAFETEA-LU), which was enacted earlier this year.

The agreement provides funding for the Federal Highway Administration, including the release of nearly $36.8 billion from the Highway Trust Fund to pay for the federal-aid highway programs to provide grants to states for construction and repair of the interstate highway system and other primary and secondary roads and bridges. The amounts provided are consistent with the funding levels in the new highway law. However, due to a smaller than anticipated allocation to the Transportation appropriations subcommittee, the measure rescinds nearly $2 billion in highway contract authority to keep the bill within its allocation, providing a total net funding level of $34.7 billion.

The measure sets aside $600 million for "surface transportation projects" and $25 million for highway priority projects listed in the statement of managers.

- The bill includes $650,000 for Alameda County's School Pedestrian Safety project within the FHWA Surface Transportation Projects account.

The bill provides nearly $7 billion from the Mass Transit Account of the Highway Trust Fund for formula and bus grants, which the conferees expect to be distributed as required by SAFETEA-LU. That law allocated $3.5 billion to urban-area formula grants, $1.4 billion to fixed-guideway modernization, and $822 million for bus and bus-related facilities. The statement of managers lists a number of bus and bus-related facilities projects to be funded under this account; these are in addition to the set-asides in SAFETEA-LU.

Appropriators agreed to fund Amtrak at $1.3 billion, roughly splitting the difference between the two chambers. The agreement includes provisions designed to overhaul Amtrak's operations to satisfy the Bush administration, which had threatened to veto the bill unless Amtrak operations were overhauled. The bill separates Amtrak's operations funding from capital funding for the first time ever. In addition, if the Transportation Department inspector general cannot certify that Amtrak has shown "operational savings" by July 1, 2006, none of Amtrak's money can be used to subsidize food, beverage, and sleeper car service.